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The Nation's Business

Bruce on Defence
Rouses Imagination of Canadian People
Sound Views on Trade
Not Free Trader But is for Preferences
Empire Figure

AUSTRALIA'S premier had been in Canada only two days when he had started much deep thinking among Canadians. Bruce is that type of man; at once outspoken and convincing; master of all the arts of the orator and the press agent and yet a thorough student, as analytical in habit as he is frank in speech, carrying about with him a winning atmosphere of satisfying honesty.

Bruce has created a considerable stir by his open discussion of defence burdens. He does not hesitate to advance the doctrine that acceptance of the privilege of belonging to the Empire involves a responsibility of paying an adequate share of the cost of the defence of the Empire. This is no new thought and those who followed Bruce's speeches in England will find nothing to marvel at in the fact of his having, apparently, "spoken out in meeting" on the subject. Bruce said the same thing over and over again in England and quoted the same set of figures. Sober reflection upon his remarks on defence is likely to dim their significance in Canada where there is not unanimity of opinion of the subject of a big army, navy and air force, for the Empire as a whole.

It is to be hoped that Bruce's comments in defence will not be seized upon by the battleship propagandists in Canada as support for their attempt to add millions to Canada's already onerous burdens in order to forward the ambitions of certain British politicians.

The work of Birkenhead in committing Imperial constitutional relations to writing, while it does not add anything to our status does give the battleship trust a chance to say that we have assumed a position of nationhood that commits us to heavy defence expenditures.

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BRUCE's visit is likely to be remembered longest for his appeal to Canadians to realize that the solidarity of the British Empire must continue, as in the past, to rest upon its economic unity. He is not a free trader; does not view it ever as an ultimate Imperial ideal. But he stands strongly for Imperial preferences; for co-operation among British nations to develop their trade against any nation or combination of nations outside.

Bruce sees the part the younger, now developing, nations of the Empire must play in this development. Canada and Australia together, he thinks, are the future bulwark of the Empire because they have the potential assets to provide the Empire with economic strength, to make it self-sufficient.

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THROUGHOUT his speeches and interviews Premier Bruce has lived up to his reputation for plain speaking. He hits right out from the shoulder; he always gives one the impression of the business man who has not time to talk platitudes. He is a very positive character; he is never apologetic and rarely on the defensive. The initiative is always with him. He has no time to waste on hairsplitting constitutional problems.

He is always at ease. Addressing the Canadian Club at Ottawa, Toronto or Hamilton, found him with a somewhat different phase of his message to enlarge upon for each audience. He was equally at home with a smaller gathering; one more critical perhaps. At the happily arranged dinner given to Mr. Bruce by Premier G. Howard Ferguson of Ontario, and the members of his cabinet, the Australian premier, spoke to men who had, almost in every case, listened to him once and in some instances twice before in the same day and had a new message for them.

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A MAN of his type will always stir up a certain amount of antagonism, but while his opponents are attacking him on one ground, they have difficulty in getting the attention of the public because Bruce has probably got the ear of the public on some other question.

His Toronto speech, pointing out the responsibilities we must assume in connection with equality of status, and his figures showing how little we were contributing to Imperial defence in comparison with Great Britain or even Australia, will no doubt stir up much criticism. Some people will claim it was inspired by Downing Street. Anyone, however, who has followed Bruce's addresses delivered in Great Britain during the Imperial Conference, will see that he was merely repeating here statements which he broadcast frequently in Great Britain.

This fact is significant. It shows that Mr. Bruce was not dictating to

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DURANT COMPANY, CANADA, PROBABLY TO SHOW PROFIT

Leaside Works Were Active During 1926; Export Business Helps

BUT NO DIVIDEND YET

Big Cash Reserve Will be Kept For Spring Commitments and for Emergencies; Yet Hope Dawns

Although it will be several weeks before the annual balance sheet of Durant Motors of Canada will be published, it is known that the Canadian company has continued in 1926 steadily to improve its position. The works at Leaside (Toronto) are closed down at the moment for the usual period for stocktaking, but production is expected to be resumed within two or three weeks.

Domestic sales of Star fours and sizes have been satisfactory throughout the year and the product has gained the goodwill of the motoring public. In view of this and the fact that the Dominion as a whole is becoming more prosperous, 1927 sales, it is safe to predict, will be satisfactory. The export business for the two chasses, with the various bodies, is holding up well, and is an important feature of the Canadian company's business which has been developed only since last August. It is estimated that 6,000 vehicles will have been sold in other countries at the end of twelve months of this trade. Sales in Canada are said to have averaged more than 800 cars a month, or approximately 10,000 a year. This latter production alone, it is reported, would enable the Leaside factory to be operated at an adequate profit, so that the profits in the export trade appreciably improve the prospects of the Canadian company.

Has Much Cash on Hand

The balance sheet as of December 31, 1926, which will be available for shareholders about the middle of March, will show a substantially improved cash position, according to authentic information. The company entered 1926 with $279,070 cash on hand and in banks. Inventories, materials and supplies totaled $1,024,185 and other items brought current assets up to a total of $1,405,152. Assuming that inventories at the end of 1926 were approximately the same, the total current assets are expected to be revealed as much larger.

Durant of Canada has no bank loans. Its Leaside plant is considered to be worth at least $1,250,000 and it is entirely free of debt,, there being no mortgage bonds, or liens of any description.

The largest item on the liability side of the 1925 balance sheet was $267,789 for accounts payable for materials and expense and accrued liabilities not due were only $37,774. Similarly modest amounts may be expected on the 1926 balance sheet.

Net Profit Expected

Durant of Canada operated at a net deficit of $20,883 in 1925. But it is predicted that the 1926 balance sheet will show a net operating profit of a considerable amount after ample allowances for depreciation and operating reserve.

Shareholders who have waited for several long years for Durant of Canada to show a profit, will be gratified at the improved position of the company, although the directors apparently will not for some time consider the advisability of declaring an initial dividend. The cash reserve will be needed, at least in part, to take care of the spring commitments, which are heavy in the automobile manufacturing business, and it is believed that the directors will deem it advisable to maintain a fairly large reserve for contingencies.

While this attitude may be disappointing to some of the shareholders, who for the most part have been patient, the ultimate result of such a policy cannot but be beneficial to all concerned, assuming that the management of the company remains in its present excellent hands, the product retains the goodwill of the motoring public and there is no tinkering with the tariff which will tend to impair the earning power of Canadian automobile manufacturers.

Conversion Was Mistake

It is apparent that Canadian shareholders who refrained from transferring their shares from Durant of Canada to Durant of Delaware are in the better position, assuming that they wish to hang on to their stock. The one big advantage in share ownership in the Delaware company is that the stock is more readily marketed. The stock is traded on the New York curb. It achieved its 1926 high of 14⅞ in September and its low of 3⅛ in May. The closing price December 30, was 8¼. The Canadian shares, A, B and C. classes, were transferable on the basis of 2, 2½ and 3 shares in the Delaware company for one Canadian. The latest quotation on the Canadian shares by a large dealer in unlisted securities is $1.50 bid and $2.50 asked.

The privilege of conversion from the Canadian to Delaware shares expired last August and since that date the distinction between the three classes of Canadian shares has been wiped out.

While the Delaware company from the beginning owned 56 per cent. of the stock in Durant Motors of Canada, and while this margin of control has been materially increased by the conversion of stock, the parent company is precluded from participating in the profits of Durant of Canada until 8 per cent. has been paid on the Canadian shares. This fact appreciably enhances the potential worth, although it may tend to make the controlling interests conservative in their attitude as to distribution of profits.

Turkeys Were Bonus to Buy U.S. Papers

The newspapers in Western Ontario are feeling more keenly than ever the pinch of competition with U. S. week-end papers and monthly magazines. All sorts of schemes and plans are being adopted to get subscriptions and increase single copy sales. During December, the Pictorial Review, New York, also the Sunday Detroit papers, put on a tremendous campaign by offering turkeys for increased sales by news and other agents. These larger sales of Detroit newspapers had a tendency to send Christmas buyers to Detroit for their shopping.

JAMES PLAYFAIR BUYING CANADIAN VICKERS' PLANT?

Merger of Drydock Properties Said to Underlie Present Negotiations

Has James Playfair purchased Canadian Vickers? What evidence there is seems to point this way. In any event it is known that negotiations leading to such a deal have been initiated. What the outcome will be is not yet known.

Mr. Playfair is in California and will not return until April.

Canadian Vickers' plant, which is located in Montreal, is primarily a shipbuilding and drydock venture. Of recent years it entered the structural steel business, and some time ago, due to the dearth of construction in Canada, the company was giving the Dominion Bridge Company a run for its money. In the meantime, construction activity has increased, and there appears to be plenty of work for the structural steel organizations.

But those who are aware of the deal pending between the recent competitor of the Canada Steamship Lines and Canadian Vickers are wondering just what is behind such a transaction, for it is known that the parent company of Canadian Vickers found its subsidiary to be anything but a good source of revenue.

The Ultimate Intentions

Many guesses have been made regarding Mr. Playfair's ultimate intentions regarding this plant, one of the best of which is that printed by Financial Service of Montreal; it says in part:

"Considerable developments are under way affecting certain drydock operating

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STERLING COAL IS ENJOYING FAIRLY PROFITABLE YEAR

Rise in Price of Bituminous Helps Market West Virginia Product

OHIO PLAN IS SUCCESS

Both Company and Miners Are Satisfied With New Arrangement; Union is Out of Picture There

The Sterling Coal Co., the stock of which is held largely in Canada (the head office is in Toronto), is experiencing a more satisfactory year than recent annual reports have shown. For the year ended last March 31, the net earnings were just short of the four per cent. dividend which has been paid on the common stock for a number of years. The deficiency in earnings for dividends was made up of the reserve fund, which then remained at the substantial figure of $453,000.

The company's Ohio property, near Salineville, is probably on the most stabilized basis owing to the contract of sale entered into about eighteen months ago. With the mine shut down and the prospects of dismantlement in sight, 88 workers, including the resident manager, entered into a partnership for its purchase. A few other such experiments are being tried in the Ohio field, but none is more satisfactory than that of the Sterling company.

Company Still Operates

Under this contract, title to the property remains with the Sterling Co. until the price is paid. The company receives, as operating compensation, a flat sum per month per worker. In addition, the company is the sales agent for the coal mined and receives a flat price per ton regardless of the price received. The company is obliged, of course, to obtain the highest market price prevailing at the time of sales.

At first, these erstwhile union workers worked for $5 the day but this since has been increased to $6, for eight hours, as compared to the union scale of $7.50. When the mine was being operated under union rules, 275 men were required to produce the capacity of 1,000 tons per day. Under the new system, a few more than 80 men produce 500 tons per day.

Most of the miners employed on the property are native Americans who long have been resident in the community and who own their own homes. They responded eagerly to the pro-

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Empire, With Largest Buying Power in World, Needs More Preferences

Premier Bruce Makes Plea for Nations of Empire to Co-operate in Future for Mutual Business Advantage

By HORACE T. HUNTER.
Vice-president, The Financial Post.

Premier Stanley Bruce, of Australia believes in strengthening the economic ties of the British Empire.

Premier Bruce invited me to go with him in his private car from Toronto to Hamilton, in order that we might have an uninterrupted discussion. During the trip he discussed at some length the very important question of inter-Imperial trade.

"The starting point," he said, "is simply this: we have the largest buying power in the world within the British Empire. Unfortunately, however, we are not using it to best advantage. We are making other nations wealthy, whereas a little foresight and commonsense would enable us to work out preferential arrangements which would build up our own industries.

"We have within the Empire every variety of climate which enables us to produce evrything from tropical fruit to fur-bearing animals and No. 1 hard wheat. Our natural resources comprise an abundant quantity of timber and practically every known mineral.

"The British Empire produces 60 per cent. of the world's wool and rubber; 70 per cent. of its tea and gold; 89 per cent. of its nickel and 99 per cent. of its jute; while Great Britain alone with 3 per cent. of the world's population owns over 30 per cent. of the world's ships and 40 per cent. of its cotton spindles."

Against Empire Free Trade

Mr. Bruce does not go as far as we have in The Post, (that we should work through preferential tariff to final free trade which might be arrived at, in the next 25 or 30 years).

He does not believe free trade within the Empire is feasible. He believes each component part of the Empire should protect those industries for which it has certain natural advantages and should offer a substantial preference on goods which are not keenly competitive with their own industries.

He is strongly of the opinion that trade is an important factor in holding together the various parts of the Empire. There are many influences at work and much propaganda is being used by interested parties to retard our development. None of these things, however, are so harmful as our own indifference.

In 1923, a separate Economic Conference was held coincident with the Imperial Conference. Bruce himself felt that the Economic Conference was of such major importance that he personally attended many of its sessions in preference to the main conference. Some good results were secured but on the whole he was disappointed at the lack of interest which was shown. He therefore voted in favor of abandoning the Economic Conference and of having trade matters handled by the Imperial Conference.

At the close of the Imperial Conference in November last, Premier Bruce toured England and Scotland

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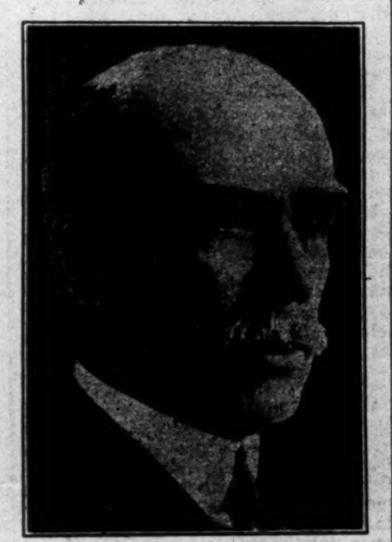
Czech Treaty is Bonus to One of Our Chief Foreign Competitors

Says Immigration Tide Now Sweeps This Way



COL. J. S. DENNIS,
Chief of Colonization and Development Department of C.P.R., who expects big immigration movement for 1927.

HEAVY MOVEMENT PEOPLE TO CANADA IS NOW EXPECTED

Outlook Better at Present Than Any Time During Past Decade

Preparations are being made to handle an unusually large volume of immigration during the coming season. While there will be a number of arrivals during the first quarter through the ports of Saint John and Halifax, the movement will not really get under way until the opening of navigation on the St. Lawrence. In commenting upon prospects for an increase in immigration this year, Colonel J. S. Dennis, head of the colonization and development department of the Canadian Pacific Railway, informed The Financial Post that the outlook is better at present than it has been on any corresponding date in some years past; in fact, it is likely that the number of newcomers will reach a figure greater than in any year since 1914.

"The tide of immigration from Great Britain and the continent to the Americas," stated Colonel Dennis, "is slowly but surely turning towards Canada. This is evident by the returns of the past year, which show a total movement for the first ten months of 122,848, as compared with 75,581 for the corresponding period of 1925, an increase of 62.5 per cent. The bulk of the increase during this period was due to the greater response from the continental countries to Canada's appeal for additional population. The United Kingdom also sent over a larger number, but the increase was not so great as it was from the continent. From the United States, the movement was slightly better, but is still somewhat disappointing.

Good Position to Get Citizens

"We are in an excellent position at present to secure new citizens for Canada. The opportunities which Canada has to offer the man with a small capital are becoming more generally known and we are putting forward more and more attractive inducements to those intending to migrate. The central and northern European countries, as well as the United Kingdom, are overpopulated, and in Canada we offer them opportunities to earn a livelihood which few other countries can equal.

"Blanket orders received already for settlers this year lead to the assumption that 1927 will witness a heavier movement than last year. While we received over 130,000 immigrants in 1926, the assimilation or absorption of these people was carried out with a minimum of trouble. The majority were, of course, farmers, farm laborers or domestics, for whom positions had been found before they left the other side. This method of handling the new arrivals has worked out very satisfactorily and has been the means of placing an unusually high percentage directly on farms."

The numerous colonization boards established in Eastern and Western Canada during the past year or two, Colonel Dennis concluded, have been and are doing excellent work in bringing forward and helping to get established relatives or friends from their own country. Some of these organizations have come to occupy an important position in the Dominion's immigration programme, and the work which they have been able to do is in no small measure responsible for the heavy movement expected this year.

"Ten Million Dollar Flour Market" Hard to See

MAY NOT LAST LONG

Treaty May be Terminated at End of Fifteen Months—Figures Show Treaty Unpromising

OTTAWA.—Official communiques of governments, whether in war or peace, always warrant scrutiny. The latest illustration of this is a statement issued by the Dominion government announcing a trade treaty between Canada and the republic of Czecho-Slovakia. This statement, after making it known that Canada had granted this vigorous national product of Versailles the benefits of her intermediate tariff (which is, on the average, four per cent lower than the general tariff) in return for a "most favored nation" schedule on 71 Canadian articles, went on to say:

"The agreement preserves for Canada a trade in flour estimated by large Canadian milling companies as approaching a million and a half barrels of flour a year, worth in the neighborhood of $10,000,000. Had the agreement not been concluded, a Czecho-Slovakian duty of 120 crowns ($3.60) per 100 kilos (220 pounds) would have gone into effect on Jan. 1, as against a duty of only 70 crowns ($2.10) on flour from countries having most-favored-nation treatment. The higher duty would have effectually killed the large flour trade Canada has built up in Czecho-Slovakia since the war. The agreement will also be of great value to the Canadian agricultural implement, automobile, fish and rubber goods industries."

Where is Flour Trade?

The names of the "large Canadian companies" who supplied the estimate of a $10,000,000 a year market for Canadian flour in Czecho-Slovakia are not given. The failure in frankness on this point would appear to be explained by an examination of our past and present trade figures with Czecho-Slovakia, as well as by a glance at industrial and agricultural conditions in that very prosperous country.

The "large flour trade" that Canada has "built up in Czecho-Slovakia since the war," is revealed by our official blue-books to be as follows:

Flour Exports

1921	Nil
1922	Nil
1923	$42,090
1924	12,651
1925	24,462
1926	19,307

Canadian flour exports to all countries in 1926 totalled $69,687,598. The Czecho-Slovakian market, therefore, amounted to .02 of our flour trade.

Department Offers Explanation

Asked as to how it reconciled these figures with its optimism about a ten million dollar a year flour market, the Department of Finance offered an explanation. It is said that Canadian flour sales to Czecho-Slovakia are not always recorded as such in our trade reports, that they sometimes enter Szecho-Slovakia through the port of Hambourg, and are credited as exports to Germany. Now this explanation would be all right (everybody knows that the Czechs have part time use of Hambourg and ready access to Trieste) were it not for the fact that Czecho-Slovakia is resolutely intent upon becoming self sustaining. She is not, except in a minor sense, a food importing country and is now following policies which will put her very quickly in the happy position of not needing to buy our flour either through the port of Hambourg or any other channel.

A volume entitled "Czecho-Slovakia," written largely by high officials of the government of that republic, and published by MacMillans, discusses the economic position of

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Outlook Good for Further Increase in Business
Foreign Trade in Healthy Condition
Volume of New Building Sets Record
Mineral Output Tops Previous High Mark

WITH the close of one of the most successful years recorded in a long time, business men throughout the Dominion are looking forward to another period of activity which will equal if not surpass that of 1926. From information received covering all sections of the country and from interviews had with recognized authorities in different industries, one gathers the general impression that such optimism is more or less justified. While there have been setbacks in one or two lines of activity, it must be considered that the Dominion's business is more extensive and more diversified than ever before and that recession or depression can take place in one industry without affecting the prosperity of the country as a whole.

Industries Prosperous

Our basic industries, generally speaking, are active and prosperous and judging from the trend of events in the past year, are on the threshold of still further development. The tremendous growth of our water power resources has not come to a standstill and projects in hand presage a continuance of activity in this industry. Mining is another industry which has experienced much headway in the past year or two and there is no reason why development or exploitation of our mineral resources should not assume a greater magnitude during the next few years. Capital is flowing in and Canadians themselves are taking a greater interest in the mineral wealth of the country. The pulp and paper industry is operating at a higher level than ever before in its history. The fishing industry is uniformly prosperous, while manufacturing is on an unusually heavy scale. Other examples could be quoted, but these have been picked at random to show the justification of the feeling of optimism which permeates the country.

Trade Expanding Rapidly

Our foreign trade relations have been expanding rapidly and the returns for the fiscal year 1927, ending March 31st, will probably set a new high record.

In the twelve months ended November last, total trade amounted to $2,324,015,408, as compared with $2,106,383,469 and $1,882,919,446 in the corresponding periods of 1925 and 1924, respectively. Both imports and exports were greater in value. In the case of imports, each classification showed an increase over the two preceding years, while for the latter, animal products, fibres, and textiles and non-ferrous metals were the only groups to register decreases. The heavier volume of imports has resulted in a material increase in customs revenues, which in turn may result in further reduction in income, sales and other taxes, provided there is no setback.

Mineral Output High

The preliminary estimate of production from our mines for 1926 makes interesting reading. In that period a new record output was established, when the value of production reached $242,886,000, an advance of 7.1 per cent. above the total of $226,538,333 reported for 1925. The previous high record of $227,859,665 was established in 1920.

Metal mining showed great strength and steadiness throughout the year. Production of copper, lead and zinc reached new records; the output of silver as higher than in 1925; gold was steady, nickel production was only slightly less than in the previous year. Non-metallic minerals, other than coal, were up 10 per cent. from the total in 1925. The situation in coal mining was vastly improved and the output was up about 3,000,000 tons in quantity and some $9,000,000 in value. There is every likelihood of this record being broken in 1927.

New Building Sets Record

An indicator of some value in forming an idea of the trend of business, is to be seen in construction activities. During the month of December, the value of building contracts awarded totalled $13,722,100, bringing the total for the calendar year 1926 up to $372,947,700, the largest recorded since the high marks of 1912 and 1913 were established. Contemplated new work reported during the year amounted to $529,641,700, this being 42 per cent. in excess of the amount of construction actually started. This large excess indicates a continuing heavy construction demand during the first quarter or half of this year.

Insofar as the present year is concerned, it is doubtful if the volume of residential construction will measure up to 1926. As regards business, industrial and engineering, present indications are that the activity in these classifications will approximate those of the past year, if not exceed them. A number of new projects in the water power, pulp and paper, and manufacturing industries are slated to commence this spring, which will help swell value to within the mark set in the year just closed.

Car Loadings Steady

Car loadings—the barometer of business—during week ended December 26th showed a decided drop from the previous week, but in the more significant comparison with the same week a year ago, there was an appreciable increase. Loadings during the seven-day period totalled 53,843, as against 63,590 in the previous week and with 46,658 in the same week in 1925. It is now apparent that the total cars loaded will reach 3½ millions, compared with 3 millions in 1925 and a little over 2.8 millions in 1924. December earnings of the railways is largely a matter of conjecture, but the position which this year's net operating income has already achieved, indicates one of the best showings in the history of Canadian railways. This is all the more encouraging in view of the extremely light addition of new mileage and testifies both to the excellent condition of the roads and to the country's prosperity.

Eaton's Buy St. John Plant

The T. Eaton Co. is reported to have purchased the Ames-Holden-McCready Building in St. John, N. B., which is being fitted up for a manufacturing plant. The firm, it is said, expects to begin manufacturing early in 1927 and will employ about 200 hands to begin with.

An aerial survey of Northern Saskatchewan is to be made, preliminary to an intensive investigation of the region by government geologists.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loading, week Dec. 25	53,843	46,658+ 15%
Year to date	3,209,796	2,946,176+ 8%
Merchandise shipped, year to date	839,730	782,662+ 7%
Building permits—November, (63 cities)	9,968,937	7,988,765+ 24%
Construction contracts awarded, year	372,947,900	297,973,000+ 25%
Railway Earnings—Eleven Months—		
C P. R. gross	180,233,610	163,537,400+ 10%
C. P. R. net	43,328,944	35,327,983+ 22%
C. N. R. gross	242,854,988	221,119,532+ 9%
C.N.R. net	41,451,628	26,916,205+ 64%
Pig Iron Output—tons, November	52,345	68,535— 23%
Steel Ingot production, November tonnage	54,311	73,205— 25%
9 months to November 30	718,395	690,342+ 4%
Employment—December index	101.1	95.3
Newsprint production—November tonnage	164,798	132,147+ 24%
Automobiles produced—11 months to November 30	197,364	153,317+ 29%
Immigration, 11 months, to November 30	130,569	80,904+ 62%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538
Liabilities, 9 months	19,191,301	26,550,375— 27%
Imports of key commodities, 12 mos. ending November 30—		
Rubber (raw, in pounds)	46,265,412	42,521,452+ 9%
Cotton (in pounds	138,413,094	116,312,505+ 19%
Crude petroleum (in gallons)	675,856,465	510,045,574+ 33%
Exports of key commodities, 12 months ending November 30—		
Canned salmon, cwt.	633,286	735,985— 14%
Newsprint, cwt.	34,254,360	27,607,171+ 24%
Wheat flour, bbls.	10,614,111	10,104,787+ 5%
Wheat, bushels	262,245,483	195,183,664+ 34%
Grain receipts, Aug. to Dec. 24	228,914,704	269,520,285— 15%
Bank clearings, year	17,651,333,319	16,731,441,880+ 5%
Saving deposits, Oct. (chartered banks)	1,347,564,144	1,277,588,281+ 5%
Current loans, Oct. (chartered banks)	983,440,760	906,249,140+ 8%
Exports, 12 months to November 30	1,305,715,729	1,219,861,088+ 7%
Imports, 12 months to November 30	1,003,485,204	874,221,547+ 14%
Balance of trade, 12 months to November 30	302,230,525	345,639,541— 12%
Price level, November index, 236 commodities	151.5	161.2
Pig iron (Number 1 foundry) Dec. 30	25.80	Nov. (Aver.) 26.85
Cattle—Good, Toronto, Jan. 3, 1927	7.65	Dec. (Aver.) $7.62
Wheat, No. 1, Nor. Winnipeg, Jan. 3, 1927	1.32	Dec. (Aver.) $1.57
Hogs—Select, Toronto, Jan. 3, 1927	10.25	Dec. (Aver.) $13.25
Bond sales, 11 mos. to Nov. 30	543,241,995	443,577,564+ 22%

FEAR OF PARTIAL PAYMENT EVILS IS UNWARRANTED

Distinct Step Forward Says Royal Bank Monthly Letter

Uneasiness has been evident among business men in recent months over the tremendous growth of the partial payment plan of credit. There is a difference of opinion as to whether the increased purchasing power, due to this plan, will have a permanently stimulating effect upon industry, or whether, when the stimulus has exhausted its immediate effect, the volume of demand will then return to a normal level with the regular increase in national income, due to increase in population.

Although this form of credit has not reached the same proportions in Canada as it has in the United States, it is constantly expanding, and the experience of American business to date has been such that any undue skepticism in regard to the partial payment system is not warranted. In its monthly letter, the Royal Bank of Canada gives a lengthy survey of the growth and effects of instalment buying in the United States, most of which is applicable to Canada. The review says, in part:

The rapid development of the industrial age brought great need for a type of credit which could be used for capital expenditure in plant, equipment and inventory. The fiscal machinery for this type of credit developed rapidly. Credit for purposes of production is no more essential than credit for consumption, and a large part of the lack of balance in the commercial structure is due to lack of balance between production and consumption.

Points Against Plan

Summarizing the viewpoint of those who regard the partial payment plan as of doubtful merit, the prosperity attributable to this form of over-expenditure can produce only temporary expansion and, like any other form of inflation, it must be followed by a period of savings. The surplus plant required for extra production becomes useless during a period of normal purchasing, and the process of recovery from this form of inflated production and consumption will be even more difficult than the former periods of deflation which the country has experienced.

On the other hand, those who make a more optimistic interpretation of the recent trends of credit, state that this form of credit is susceptible of more highly specialized control than is bank credit. The financing of the partial payment sales of automobiles, for instance, has been done with sufficient care so that the losses experienced to date by finance companies in the United States have amounted to less than ½ of 1 per cent., and the prediction of future demand for automobiles has become sufficiently accurate so that production rises and falls more quickly in response to retail demand than in any other large industry. The partial payment plan of itself brings the manufacturer so much closer to the consumer that he can respond more readily to changes in the character and volume of demand.

As yet, there is no marked decrease in consumers' demand, and the "bogey" of over-production is being met to an increased extent by the regulation of the volume of consumption. Present prices are possible only because of the large volume of production, and it is more than probable that reduced production would lead to higher costs and eventually to higher, rather than lower prices. This consideration of the possibility of decreased production leading to higher prices is in such violent contrast with most past experience that it may be well to point out that the recent decrease in demand for open cars substantially increased the relative cost of these models, as a case in point.

Diversity of Risks

Careful consideration is due the argument that consumers' credit is a more balanced type of medium than producers' credit; i.e., the size of the credit created bears a more exact relation to consumption demand and to the value of the goods changing hands, and this factor in itself tends toward more balanced production. Diversity of risk is certainly tremendously increased when credit is extended to the individual consumer rather than to the producer and merchant. If it becomes evident that more skilful management of industrial credits on the part of the Federal Reserve system and this new consumers' credit shows some tendency to reduce the psychological extremes of the business cycle, the change will be welcomed in that it will thus reduce the severity of the cycle. Increased consumption is itself a process tending toward cumulative buying power, and this factor, together with the diversity of risk in consumers' credit, seems to stamp this new development, properly controlled, as a distinct step forward.

INCOME TAX PROBLEMS

Incorporating in Canada to Save on Taxes

By an Income Tax Expert

PROBLEM NO. 7.

The advantage of incorporating in Canada a company conducting a foreign business is not generally appreciated. A company can be incorporated in Canada, have its head office here and bank its money in Canada, and is subject to no tax liability, provided it has all its revenue producing business or working assets abroad.

There are two reason why this Canadian advantage is not generally appreciated.

First, countries such as the United States, England and other countries which have an income tax affecting companies, consider such companies within the purview of their law, because they are incorporated in the country, are controlled as to policy therefrom and remit the income home thereto, where it is banked or distributed; in short, the company is regarded as resident in such country and therefore taxable on their total income from whatever source derived.

This generally and well accepted right to tax is believed by foreigners to be applicable in Canada as well. The case is, however, quite the reverse. They are exempt in Canada.

The second reason is the wording of the Canadian statutory language itself, which affords this exemption. At first reading it seems impossible to comply with and indeed were it not for the reasonable and necessary departmental interpretation that has been put on the matter it would be unworkable.

How Law Reads

The Income Tax Act provides:

"The following incomes shall not be liable to taxation hereunder:

"(k) the income of incorporated companies whose business and assets are carried on and situate entirely outside of Canada."

Obviously, if the company had a stick of furniture, a book of original entry or a petty cash account it would have assets in Canada and could not be given the benefit of the paragraph quoted.

The departmental interpretation given effect to, however, is that if a Canadian company whose business, in the sense of the business working assets, are employed and situate abroad then even though the annual meetings and meetings as to policy were held in Canada and cash or bonds remitted to Canada and housed here, nevertheless the working assets, the business assets, are situate abroad and tax exemption is afforded by the paragraph.

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For example, a construction, transportation, power, manufacturing or wholesale company having all its working assets abroad comes within the paragraph, so also would an investment company so long as the stocks, bonds and debentures in which it dealt were held, bought and sold and generally operated abroad even though the profits be remitted to Canada. In short, it clearly is desired to have in Canada not only the companies but their profits or non-working surplus assets such as cash, bonds and stocks, in the nature of realized assets derived or resulting from the trade or business carried on with working or business assets situate abroad. If, however, the business or working assets be in Canada, then the company loses the benefit of the paragraph, is resident in Canada and taxable on its total income from whatever source derived with certain allowances for foreign taxes paid.

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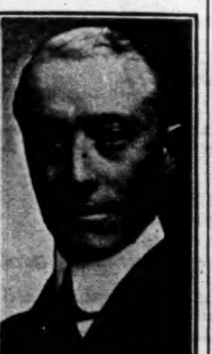
STEEL INDUSTRY LAGS BEHIND DUE TO HIGH IMPORTS

Steel of Canada Head Tells Why Plants Are Not Busier



Ross H. McMaster, president of the Steel Company of Canada, states in Canadian Machinery that the steel industry of Canada has failed to experience that advance in production that might have been expected as a result of the greatly increased sales of steel products in Canada.

Production of pig iron shows a most satisfactory gain, estimated output of Canadian plants being:

Year 1925 ... 570,000 gross tons.
Year 1926 ... 725,000 gross tons.

Steel shows a different situation. Mr. McMaster estimates output at:

Year 1925 ... 734,000 gross tons.
Year 1926 ... 737,000 gross tons.

It is quite clear that the consumption of steel in Canada was much greater this year than during 1925. As the production during the two years may be said to have been almost equal, it requires no other proof to establish the fact that our increased consumption of steel was supplied by importations. Such results cannot, therefore, be accepted as satisfactory to an industry which ought, with good reason, to entertain hopes of keeping in step with the progress of this country. The existing capacity to produce steel could provide almost double the tonnage shown by the output figures for 1926.

Tonnage Same in 1910

It is interesting to compare current production with pre-war years. As far back as the year 1910, Canadian production of steel ingots was practically the same as the tonnage produced this past year. In both 1911 and 1912 steel production in Canada exceeded the figures for 1926. The pre-war peak of 1913 compares as follows:

Year 1913, 1,006,149 gross tons.
Year 1926, 737,000 gross tons.

A further contrast is provided by the figures for 1918, when the war demand for steel established the high record for steel ingot production at 1,622,000 tons. Steel was difficult to obtain at that time, and home production was stimulated and most welcome. It supported industrial activities in Canada to an extent which had an inestimable effect upon the country's ability to weather the crisis. The manufacture of steel was then proclaimed as a basic industry. That fact has since been its misfortune. In the judgment of those responsible for our fiscal policies it has been conceived to be in our best interests to stimulate other production than that of steel. As a consequence our production has not been encouraged; on the contrary, importations of steel have been assisted, as the statistics make quite clear.

Statistics of steel exports issued from Washington show that Canada is proclaimed as the best customer of the United States for iron and steel. This might not be referred to unfavorably if the United States gave us something in return for the fifty-five free steel items we have introduced into our tariff at one time or another. Conditions in Canada would be helped if they would take our fish or our cattle, or many things which we could sell to them. On the contrary, these are denied the United States market by heavy imposts calculated to exclude them. Even when iron and steel products have been sold in their markets in very limited quantities, technical obstructions have been raised against them. It is consequently not difficult to understand why the imports of iron and steel continue to grow.

Imports from Europe

In some products Blue Book figures show a substantial growth of imports from Europe. Shipments from Belgium and France have been assisted by a depreciating currency, very much lower wages than are paid in Canada, and low ocean freight rates. In our customs administration we have recognized the effect of a depreciated currency upon prices, and re-appraisal regulations have been established, which, however, apply only to ad valorem rates of duty. Steel is once more unfortunate, as the duties on iron and steel are largely specific rates and, therefore, these regulations are valueless.

From Germany also, heavy imports have come, due largely to the fact that German prices for export have been considerably under home market figures, notwithstanding our dumping regulations. It is true that certain of our needs for iron and steel will require to be imported until such time as our consumption reaches heavier tonnage figures. However, almost forty thousand tons of steel wire rods will be imported this year, largely from Europe. These could, and should have been produced in Canada almost entirely. Importations of iron and steel bars will aggregate well over 100,000 tons, and receipts of Continental wire products are steadily increasing.

If our attitude toward imports resembled the policy adopted by the United States, much of the tonnage now imported would be properly excluded because it is assisted by undervaluations and other subterfuges which are unfair to Canadian labor and Canadian producers.

A Reasonable Ambition

The above facts will explain why reviews of iron and steel conditions in Canada inevitably include references to fiscal matters. The steel industry aspires to a growth which will at least equal the progress of Canada. That seems a reasonable ambition. Unfortunately it is not being realized. It is admitted that the steel industry cannot hope to succeed at the expense of other industry. No such desire exists, but there is a belief that with an equality of treatment all industry could progress together. Our importations of steel will equal, if they do not, this year, exceed, Canadian production. A substantial share could be produced in Canada. Such a share would help to engage idle capacity, even though some capacity may be idle to-day because we do not require the tonnage of steel rails we produced twelve to fifteen years ago.

Production in Canada of our own needs provides employment, the best and the soundest basis for the support of immigration. Production in this country absorbs its share of taxation, civic, provincial and federal, while the free entry of manufactured goods throws this burden upon other Canadian producers. The manufacture of steel requires the transportation of between four and five tons of raw material for each ton produced. Production of steel in Canada, therefore, means that the tonnage of such traffic available to our transportation interests is multiplied several times.

From the standpoint of all factors which contribute to our country's prosperity, it would seem evident that the production of steel could and should be stimulated to our distinct advantage. I know of no basic steel products reaching the ultimate consumer where the rate of duty has any measurable effect upon the price of the finished article. In view of this it seems unfortunate, to say the least, that there is not a greater uniformity of opinion on these matters.

Making Money on Second Mortgages

High Profits Can be Made by Investor Who Will Watch Carefully Steps Necessary to Protect His Capital

By F. W. KEMP.
First of three articles.

Many people are attracted by the high profits made from second mortgage investments. Quite an ordinary interest yield to the purchaser of a second mortgage is fifteen per cent. per annum and often the yield is as high as twenty, twenty-two or even twenty-five per cent. per annum. These mortgages usually run for five years and bear interest on the principal sum named in the mortgage at 6½ or 7 per cent. per annum. The purchaser buys it for about 75 per cent. of its face value. Thus a second mortgage for $2,000 bearing interest at seven per cent. per annum maturing in five years, would ordinarily sell for about $1,500.00, under such circumstances the $1,500 would earn a profit of about sixteen per cent. per annum.

During good times good profits are made in this way but with the real estate market falling, great care has to be exercised or heavy losses appear where profits were expected. While it is not suggested that the price of real property generally is falling, it is now true that in many large centres there are few sales and, if for any reason a property in these localities has to be sold quickly, it is not possible to realize anything like the price that could easily have been obtained a year or two ago. Under such conditions the problem of the purchaser of second mortgages has become quite a delicate one and it is to this problem that this article is addressed.

Rights of Investors

Before entering into a consideration of the special difficulties of second mortgage finance, it might be well to outline briefly the general characteristics and requirements of all mortgage investments. From a perusal of the law reports of the last 20 years one would learn that certain rights have rarely been exercised save on a falling market and a period of good times may have resulted in their having been overlooked or forgotten by many.

In the first place a mortgage is a two fold security: the holder of the mortgage (called the mortgagee) has a charge on the land described in the mortgage and he also has the promise of the man who makes the mortgage (called the mortgagor), to pay the sum named in the mortgage. By reason of the fact that the mortgagee has a charge on the land, he can register his mortgage against the land and if default is made in payment he can sell the land no matter who is in possession, or who is registered as owner. By reason of the promise of the mortgagor to pay, the mortgagee in case of default may sue the mortgagor in the same way as he would sue on a promissory note and this even though the mortgagor has parted with the land. The right of the mortgagee against the land and the right of the mortgagee against the mortgagor are separate and distinct and both should be considered in purchasing a mortgage, whether first or second.

Must Watch Investment

The holder of a mortgage is in a different position from the holder of a victory bond. The latter has only to clip his coupons and present them for payment. The mortgage investor must watch other things than his interest and principal payments. Taxes are a charge on lands prior to any mortgage and if allowed to fall in arrears give to the municipality a right of sale. While it is true that the property cannot be sold for taxes without notice to the mortgagee, considerable expense is incurred in penalties and costs if taxes are allowed to run unwatched. Fire also may wipe out in a few hours a great part of the security so the mortgagee must insist on adequate insurance being placed with a sound company. He should also see that the policy correctly describes the property, that it contains a mortgage clause making loss payable to him as mortgagee and that the premiums are paid as they fall due. The holder of a second mortgage must also see that the payments under the first mortgage are made as they fall due. Default under the first mortgage, like default in payment of taxes, if allowed to run, results in additional costs being incurred for proceedings under the mortgage, and while it is true that the second mortgage as such cannot be sued for taxes or for arrears under a first mortgage, still he may lose his rights against the property if he allows them to remain unpaid. He is then left with only his rights against the mortgagor.

Seven Standard Precautions

Every investor in mortgage securities should take certain precautions based on the standard requirements made by trust and loan companies. The effectiveness of the precautions taken depends entirely on the skill, integrity and diligence of the investor or of the persons whom he may employ to act for him. Briefly, these requirements are as follows:

First and foremost, his mortgage must be on a proper form, otherwise he may find some of his rights cannot be exercised without undue delay and expense. Nowadays, mortgage forms are fairly uniform in the kind of provisions contained, but there are differences of great importance to an investor. For instance, a second mortgage should provide that the mortgagee may pay an insurance premium on any policy of fire insurance covering the property or any arrears either of taxes or of principal or interest under the first mortgage and add the amount so paid to the amount due under the second mortgage and that the second mortgagee can then immediately take proceedings under the second mortgage.

Secondly, the title of the mortgagor to the lands described in the mortgage should be investigated. To do this and to approve the form of mortgage a solicitor should be employed.

Thirdly, the investor should assure himself that the property he has seen and accepted as security is the property described in the mortgage—for this he should employ a surveyor. A surveyor's sketch or blue print will show what buildings, if any, are standing on the lands. It will also show whether such buildings are situated wholly within the limits of the lands and whether or not any adjoining buildings encroach.

Fourthly, he should hold the fire insurance policy or policies and see that all premiums are paid.

Value of Property

Fifthly, he should assure himself as to the value of the property. Many investors do this themselves but often purchasers of mortgages are not familiar with real estate values and for them it is necessary to employ a skilled valuator.

Sixthly, he should inquire as to the ability to pay and the willingness to pay of the person to whom he must look for payment (the owner of the property) and also of the person primarily liable (the original mortgagor) —sometimes they are one and the same person, but often not. There are people who purchase properties unwisely and give mortgages which they cannot reasonably expect to pay and there are others, often able, who are always objecting to pay. Mortgages with such people responsible for the performance of the obligations of the mortgagor are not so valuable as mortgages with reliable people.

Seventh are the statements. Statements as to taxes and as to the condition of the first mortgages are essential. One should not purchase a second mortgage with arrears outstanding for taxes or for interest or principal under a first mortgage. Also, there should be obtained a statement from the person responsible for the payments under the mortgage (the owner of the property) acknowledging the amount owing under the mortgage and the date to which interest has been paid. This should agree with the statement given by the vendor of the mortgage, otherwise a dispute as to mortgage accounts is being purchased along with the mortgage. Often something has been paid beyond what the terms of the mortgage itself require or the money stated by the mortgage to have been advanced may not all have been advanced.

These seven requirements are all definite and to check them is a straightforward matter. If the investor finds himself unable to attend to any one of them himself he can employ some specially qualified person to undertake them for him. Usually the vendor of a mortgage agrees to pay the purchaser's expenses of making all these searches and enquiries and quite often the solicitor who searches the title arranges to have these other matters attended to.

Mr. Boys Retires

With the outset of the new year, a reorganization has occurred in the firm of Messrs. Brouse, Mitchell and Co., members of the Toronto stock exchange. T. Ross Boys, who has been a member of the firm since its inception twenty years ago, has retired, and his place is being taken by H. N. Drope and William Harnett, both of whom have been connected with the firm for a number of years, and who are admitted as general partners.

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ASSETS—On completion of this financing the company will have unencumbered assets, appraised at approximately $1,450,000.

FRANCHISES—The Toronto Brewing & Malting Company, Limited, holds from the Government of the Dominion of Canada licenses for the operation of a brewery and for the operation of a malting plant. These licenses are very valuable. It is unlikely, with the policy of Government Control actually in effect, that the issuance of further licenses for breweries in Ontario will be considered.

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JANUARY, 1927

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EXPECT CANADIAN STOCKS TO RISE THROUGHOUT 1927

Further Evidence to Show Independence of Markets on This Side

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Jan. 5	98.3	95.4
Week of Dec. 29	97.5	94.9
Month of Jan., 1926	83.1	76.0
9 Bank Stocks		
Week of Jan. 5	$233	$230
Week of Dec. 29	230	229
Month of Jan., 1926	232	228
10 Public Utilities		
Week of Jan. 5	101	99
Week of Dec. 29	100	98
Month of Jan., 1926	96	91

The Canadian stock markets have declared their independence of Wall Street. This is proved by the fact that on several recent occasions when the New York market has been weak and irregular, Montreal and Toronto have been firm. It would be too much to say, of course, that the Canadian market can go its way oblivious to happenings in Wall Street but eevry movement that occasions alarm in New York is not by any means cause for alarm on this side of the boundary, for the reason that conditions may be, and usually are, utterly different.

Authorities on Canadian finance are agreed that Canadians at this time are concentrating their investment in Canadian securities. This is the wise course, for at least two reasons, as is pointed out in various quarters. The first reason is that Canada is due for relatively greater prosperity than evidently is in prospect in the United States. The second is that Canadian investors are, or should be, better able to judge the merits of enterprises into which they put their money when those enterprises are close at home.

Advantage of Lower Taxes

Perhaps some will be inclined to question the assertion that Canada is due for a relatively greater prosperity than the United States. These would be reminded that development is on the ascending scale in Canada and must hereafter be on a descending scale in the United States, that there are evidences of a slowing up of industry in the United States, while in Canada any new depression evident is purely seasonal, and that at last there are indications of a genuine revival of immigration to this country while in the United States the political effort is concentrated on keeping individuals out of the country regardless of their individual merit as potential citizens.

One big advantage which the United States has over Canada at the present time is that taxes have been progressively reduced by congress for the benefit of the wage-earner as well as the investor and that in Canada hardly a start has been made in this direction, although something is promised in the coming session of parliament. A second big advantage is that the United States is a strongly protectionist country bending every effort to protect their manufacturers in their home market. This policy has made for great internal prosperity at a time when European manufacturers were producing goods at extremely low costs due to depreciated currency, and is in marked contrast to the policy of the Dominion which has lowered tariffs at a time when every other country has been raising them.

Montreal, Toronto Firm

These factors affect security values. While certain industries are finding difficulty in meeting foreign competition in the home market, the general tone of Canadian industry is better than it has been since the stimulus of the war was removed, and, with inevitable reactions of a temporary nature, it is safe to assert that, unless unforeseen political and economic obstacles intervene, 1927 will be remembered as a stock-market year of ascending values.

The week just past has seen both the Montreal and Toronto stock exchanges firm in all departments, although the sessions generally have been quiet and the trading somewhat narrow. The sensation of the week was the rise in Canada Cement, which achieved a high for 1926-7, at 134½. This is supposed to be due to a pool operation. The alcohol and brewing group continued strong, with the new G. & W. making a record, and keen interest was shown in the Walker issue which will go on the board on January 24. Dominion Bridge, Steel of Canada, International Nickel and Canadian Canners, the last-named being ex-dividend, were market leaders.

Says Peg Not Sure

Brazilian Tractions found the market somewhat irregular, with the impression gaining that the price will recede. Considerable selling emanated from New York. The value of this stock is dependent on the rate of exchange on Brazilian currency, milreis, as well as on earnings and ultimate control of the property. In this connection it is worth while noting that our foreign exchange editor this week publshes an opinion that the Brazilian government will be unable to maintain the milreis at the pegged point. The country is suffering from a lack of gold reserve and there seems no immediate prospect of betterment in this situation.

Mine Market Sags

The mining market this week has been undergoing a reaction after a prolonged period in which nearly all the stocks of a speculative nature ascended rapidly in price. The producers in the older fields in these circumstances naturally were much stronger than the Quebec group. It is generally believed that the sagging is of a purely temporary nature, although, in view of the fact that most of these enterprises are still hardly beyond organization stages, purchases of individual stocks must be considered highly speculative, whatever faith there may be in the Quebec field as a whole.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	6	3	.	9
Paper	5	7	2	14
Steel	12	6	17	35
Foodstuffs	10	15	16	41
Utilities	6	11	12	29
Tractions	6	4	4	14
Textiles	5	4	7	16
Industrials	14	15	20	49
Total	64	65	78	207

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EARNINGS OF B.C. FISH CAN BE ONLY GUESSED AT NOW

Actual Figures of 1926 Profits Are Not Available to Anyone Yet

GARDINER SPEAKS OUT

The technical position of the stock of British Columbia Fishing & Packing Co., has been materially improved in the last ten days, due to the liquidation which forced the price down a net of twenty points or more. It is learned on good authority that while no banks deliberately called brokers' loans on this stock, there was considerable caution exercised when the stock was at its recent high above par of 100.

P. R. Gardiner, a director of B. C. Fishing, late last week issued this statement after the stock had completed its downward course:

Trip Was Personal

"This month I had occasion to visit the coast, and, being a director of the British Columbia Fishing & Packing Co., felt it was my duty to visit the head office of the company at Vancouver.

"I find that during my absence rumors have appeared in some newspapers that I had gone away to carry on negotiations with a California company for the purchase of the company at certain suggested figures much above the market price.

"Another later rumor was to the effect that I have now no financial interest in the company.

"These rumors are not true; they have no foundation whatever.

"I had no authority from the company to negotiate with the California company, or any other company or person, and did not do so. My trip to the coast was of an entirely personal nature, and had no connection whatever with such negotiations. I deeply regret these false rumors, and the reaction to them on the stock market, for which I am not responsible. My present interest in the company evidences my faith in its future, which, in my opinion, is brighter to-day than ever before in its history."

Two Other Directors Confirm

Two other directors of the company confirm Mr. Gardiner's statement that he had no authority to conduct negotiations looking to the sale of the company to California Packing or any other corporation. It is asserted positively that no possible sale has been discussed at a directors' meeting and that no directors' meeting has been held recently.

It is now improbable that there will be any split in the stock of B. C. Fish.

It had been declared from an apparently reliable source that the directors were virtually agreed that the stock should be divided into one share of preferred and two shares of common for each existing common share of the par value of $100. This, it is said, likewise was not discussed at a directors' meeting, although it may have been the intention of one or two members of the board so to propose.

No one is in a position to know the earnings of the company, it is now asserted, and the figures will not be available until January 15th, at least. The definite statements of earnings which have interested the stock market and which caused the stock to rise to a record high of 108½ apparently were just guesses, according to authentic information that is now available.

Earnings Are Good

Undoubtedly, however, the company has had a good year. Its prospects also, are said to be good. President Aemilius Jarvis, who has been in Europe for several weeks, is reported to have secured several excellent contracts in Italy. But as for the earnings of the past year, it is pointed out that an accurate knowledge of the actual figures is impossible in advance of the balance sheet. Fish has been sold in various quantities at varying prices throughout the year and the production area extends from Puget Sound to the Alaska boundary.

Quebec Southern Power Pushes Plant Construction

From Our Own Correspondent.

MONTREAL.—The Quebec Southern Power Corporation at the close of the old year was serving 43 communities—a total considerably larger than was anticipated earlier in the year. During November and December the towns of Huberdeau, Arundel, St. Calixte, St. Roch, St. Monique, and St. Augustin, were connected to the system.

The construction of the new power house at Rawdon is proceeding rapidly, and it is expected to be in operation by the end of March. Day and night shifts are now at work in order to complete the plant as soon as possible, so that the corporation may obtain the extra power which it requires.

STERLING COAL IS ENJOYING FAIRLY PROFITABLE YEAR

(Continued from page 1)

posal of ownership of the mine when it became apparent that, after a year of standing by, the mine in all probability would be dismantled. The miners not only were due to lose their jobs permanently but their homes could not be sold profitably.

Both Parties Pleased

This experiment, entered into with some trepidation on both sides, has succeeded remarkably well under the leadership of the resident manager, who not only represents the company on the property, but is a partner in the workers' enterprise. According to authentic information, both parties to the agreement are well satisfied.

In West Virginia, the future, as usual, is uncertain. The sudden rise in the price of soft coal last fall owing to the British strike resulted in an increase in wages for the West Virginia miners, where the most coal is produced only when union miners elsewhere are idle because of labor controversies. But it is pointed out that, while the cause of the higher price of bituminous on this continent was the export demand, the loading facilities at Atlantic ports at their maximum are only 1,000,000 tons per week, as against a normal production of about total 13,000,000 tons.

Resumption of production in Britain and the efforts made there to regain the vestige of export trade which remained before the strike began last spring, has put the American situation back where it was, with the difference that the West Virginia non-union miners are getting higher wages than in recent years. It is apparent that there must be some readjustment in this wage scale. But until it is effected, earnings on the properties of the Sterling Coal Co. in that region may be unsatisfactory.

Union to Break Up?

The primary difficulty with the coal-mining industry in the United States, from the viewpoint of both consumers and investors, is that there are too many miners and too many mines. The wage agreement between the union operators and the United Mine Workers of America expires next March 31.

It is predicted that this agreement will not be renewed on the present wage scale. Some employers of mine labor even go so far as to say that the days of the union are numbered. It is pointed out that there have been numerous small defections from the ranks of the union—that of the Sterling Co. workers near Salineville is an example—and that the remainder must be dissatisfied with conditions which give them little work at the high wage scale fixed by their leaders in agreement with various groups of operators.

Wages Must Drop

A factor in the situation which union leaders always overlook or pretend to ignore, is that there are enough capable miners in the country who do not subscribe to union funds, to produce all the coal normally needed by American industry, and Canadian industry dependent on American coal. It is believed to be inevitable, viewed from an economic angle, that eventually either the union must disappear from the scene or there must be a drastic scaling down in the union rate of pay and the union demands in other directions.

This change, when it comes, must react immediately to the benefit of all coal companies which, like the Sterling company, already have freed themselves from the shackling influences of wage scales achieved during the stress of war.

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—A basic industry
—which converts waste energy
—into a wealth producing product
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EMPIRE WITH LARGEST BUYING POWER NEEDS MORE PREFERENCES

(Continued from page 1)

and addressed meetings daily. He came in contact with all classes of people and stated very definitely to me that he noticed in all parts of the country a much more favorable attitude towards the development of inter-Imperial trade. There is still much Free Trade sentiment in Great Britain, but the safeguarding of Industries Act has enabled them to add a number of lines on which a duty has been placed and a preference given to the various Dominions. Great Britain, with its 50,000,000 population, is the biggest single market within the Empire, and he believes it is the duty of statemen from the various Dominions to take every opportunity of showing the mutual advantage to be gained by getting the best possible distribution of the white population, and by directing the current of trade as far as possible within the Empire.

The hands of the Baldwin government are tied as far as tariff matters are concerned, but after the next election which will be held not later than three years' time and quite possibly before, Mr. Bruce believes the country will be ready for some form of preferential trade agreement. He believes all parts of the Empire would benefit, and he cannot understand the indifference and inaction of our public men.

Believes in Economic Committee

Mr. Bruce believes the Economic Committee can accomplish much, provided good men are appointed to it by Great Britain and the various Dominions. This is a permanent committee which was formed and is an outgrowth of the Ecomonic Conference of 1923. Canada opposed the formation of this committee, but later assented and appointed a member to it. It is engaged at present in making a survey of the resources and industrial development in the various parts of the Empire. Mr. Bruce does not believe in going into this in an exhaustive way, but rather that a brief report should be issued dealing only with the more important lines. This should be sent to the governments of the various Dominions and according as use is made of it, it could be further developed.

It must be admitted that Canada has been very apathetic in connection with Imperial trade, and when I was in London for The Financial Post at the time of the conference, I found many British business men and parliamentarians had a very definite and settled opinion that our Canadian statesmen felt our future trade developments were with the United States rather than with Great Britain or other parts of the Empire.

Shredded Wheat Sales Under New Organization

Announcement is made from the head offices of Shredded Wheat Co., Niagara Falls, N.Y., that the new Shredded Wheat Company in England is making gratifying progress in its sales and that its manufacturing operations are wholly successful.

This was incidental to an announcement concerning changes in the management of the sales of the product of the main factory at Niagara Falls, N. Y. The products of the Canadian factory at Niagara Falls, Ont., still will be handled by W. J. Wilcox in Eastern Canada and Elmer Bratton, of Winnipeg, in charge of Western sales.

New Issue

These bonds are being offered simultaneously in Canada and United States.

$5,700,000

City of Montreal

Forty-Year 4½% Gold Bonds

Dated December 1, 1926 — Due December 1, 1966

Principal and half-yearly interest (1st June and 1st December) payable in United States gold coin at the Agency of the Bank of Montreal, New York, or in Canadian gold coin at the office of the City Treasurer of Montreal. Bonds may be registered as to principal.

Denomination: $1,000.

Legal Opinion: Messrs. Brown, Montgomery & McMichael.

These bonds are direct and primary obligations of the City of Montreal.

Montreal is the largest city in Canada and one of the nine largest in North America. The population has increased from 277,829 in 1901 to 952,875 in 1926. This rapid growth is due to the City's favourable geographical location as an ocean and lake port, its availability to low-cost water power, its proximity to an immense territory, naturally adapted to industrial development, and to the stable labour element throughout the Province.

Price: 96 and interest, yielding over 4.72%

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MORTGAGE FIRM WILL WRITE OFF ITEM OF EXPENSE

Balance Sheet Improves With $690,000 Organization Cost Taken Away

Shareholders of Mortgage Discount at their annual meeting in Toronto, Monday, formally approved the proposal of the directors to change the common stock of the company from $10 par value to shares of no-par value.

According to a letter sent to shareholders by General Manager George R. Griffen, the object of this move is to improve the balance sheet of the company by eliminating the item carried under the heading of deferred assets, representing sundry agency agreements assigned to the company and commissions paid on the sale of stock and organization expenses. This item, which totaled $690,827 on the assets side of the balance sheet, had been criticized by auditors, who claimed that it should be wiped out either by appropriations from surplus or by writing down the nominal value of the common shares.

More Healthful Balance

By adopting this latter method, Mr. Griffen's letter adds, "the balance sheet of the company assumes a more healthful appearance in the eyes of the investing public, as the company would then show that it had taken care of all preliminary organization expenses and is operating on a solid basis."

The opinion of a lawyer of high standing also is quoted, as follows:

"As the dividend on common stock would be at the rate of so much per share and not on a percentage basis, the reduction in the par value of the common stock would in no way affect the holders. Indeed, the position would be improved to this extent, that the common stock would more quickly acquire a greater market value when the investing public learn that the company has taken care of all preliminary expense and the assets enumerated on the balance sheet all have real value."

Griffen Biggest Holder

No dividends ever have been paid on the common stock, which heretofore have been carried on the books as worth $1,000,000. In every case, however, the shares were given to buyers of the preferred stock as a bonus. George R. Griffen is said to be the largest holder of this issue, having bought in large blocks a number of years ago when a group headed by Russell T. Scott attempted to get control of the company. The common has been sold in small blocks recently at 50 cents the share.

Mortgage Discount has upwards of 3,000 shareholders, 700 are Toronto residents and the others residents of small towns in Ontario. The stock originally was sold, about seven years ago, in small blocks, mostly to persons of small means. The aggregate number of shareholders since has decreased somewhat through purchases by holders of the larger blocks from some of the original investors who had become dissatisfied.

Losses Are Small

Mortgage Discount is one of the more successful companies specializing in second mortgages. Its operations are confined to Toronto. Although the realty market in Toronto has been unsatisfactory for more than a year, the company has been able to carry on and show a net profit of $68,035 for the twelve months. Its repossessions have been abnormal, but the aggregate of capital involved has been surprisingly small in comparison with those of some other companies. In all but a few instances, properties have been resold without loss to the mortgage company. This probably is due to the practice of the company in confining its second mortgages to properties in the low-price class and making loans only in proportionate amount. The smaller properties are more readily resold.

This practice, while it makes more bookkeeping than when the loaning is done on property of high value, tends to minimize possible losses where repossessions are essential, and maintains assets in a more liquid state.

CUT LAPSE RATIO DOWN TO 11 PER CENT.

Remarkable Improvement Says T. B. Macaulay — Group Insurance Grows Apace

Growth of group insurance and decline in policy lapses were two interesting points stressed by T. B. Macaulay, president of the Sun Life, in a New Year's message.

Under the group system, says Mr. Macaulay, thousands of employees can be covered, for a uniform or varied amount, by an arrangement with their employers. This is done generally on the term plan, the employer paying the premium, or a substantial part thereof, and each employee having the right to obtain an individual policy at ordinary rates, without a medical examination, on the termination of employment. The premiums on these policies are very low. Their great value lies in the fact that large groups of people who need insurance the most, and who ordinarily have the least of it, thus obtain a modest protection. Some idea of the growth of this form of insurance will be gathered from the fact that, while it was practically unknown in Canada up to seven years ago, by the end of 1925 $141,000,000 in this form had been written in the Dominion covering 200,000 employees.

This year will see this amount increased probably by 50 per cent. By the end of 1926, 80,000 additional Canadian workmen, many of whom previously enjoyed no protection in this form, will, at a trifling cost, through group life assurance, create estates for their families amounting to at least $80,000,000. What this means to the family in assurance of comfort, of escape from grinding penury, and of relief from inevitable demands for charity upon the community, can be only inadequately appreciated. This form of insurance has been adopted not only in industrial plants like Price Brothers, General Motors, St. Maurice Valley Corporation, Montreal Tramways, and hundreds of others, but to the list have been added great financial institutions like the Bank of Montreal and the Royal Bank of Canada, co-operative institutions like the Manitoba Wheat Pool, government departments, newwspaper employees, Y. M. C. A.'s—all these are using it for protection.

Another noticeable improvement in life assurance is the decrease in the number of lapses. These were at one time so numerous as to constitute great anxiety to underwriters in this country. Here, again, the steady improvement has been due undoubtedly to a wider appreciation of the principles of life assurance, of the wisdom of securing it, and of the futility of allowing it to lapse. In our own company the percentage of lapses is now down to about 11 per cent., a remarkable reduction when compared with the prevailing percentage among insurance companies only a few years ago.

Stock Market Record

WEEK ENDING JANUARY 4

	Div. Rate	Yield Jan. 3	High for wk.	Low for wk.	Close Jan. 4	Close Dec. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.70	229	226½	231	226½	150	228¾	214
Dominion	12+1	5.98	217	214	217	214⅝	47	219	207
Can. Nationale	10	6.25	160	160	160	160½	2	170	157
Imperial	12+1	6.07	215	213¾	215	214	113	215½	200
Montreal	12+2	5.10	274	272	274	273	69	275	251
Nova Scotia	16	5.32	300	298	298	300	142	300	[illegible]
Royal	12+2	5.38	262	260	260	262	218	270	[illegible]
Standard	12	6.25	196	192	196	192	29	200	[illegible]
Toronto	12	5.16	234	230	234	231	62	232½	213
Paper—									
Abitibi, com. (no par)	5	5.68	88	86¼	87½	87½	999	98	70¼
Do. pref	7	6.11	113	113	113	114½	2	116	106¾
Belgo-Can., pref.	7	6.88	102	101	101¾	101	108	102½	95¾
Brompton (no par)	50c	5.88	36	34⅝	34¾	36½	1090	38¾	26
Laurentide	6	5.45	111⅝	108	109¾	111	3379	118¼	81½
Price Bros., com.	2	3.17	63½	63	63	63½	342	76¾	57
Do. pref.	6½	6.43	101½	100¾	101½	100¾	231	103½	95
Prov. Paper, com.	6+1	6.00	117	116	116½	114½	75	117	100
Do. pref.	7	6.65	105¼	105¼	105¼	104¼	5	107	100
Smith, Howard, com.	.	...	63	61¾	62	62	75	67	88
Do. pref.	8	7.54	106	106	106	105	40	106	92¾
Span. River, com.	7	6.86	103	101¼	101¼	103	387	114¾	96½
Do. pref.	7	6.22	114	112½	113	113½	285	120	108
Wayagamack, new (no par)	75c	...	55	54¾	54¾	55	195	59½	52
Steel and Steel Industries—									
B. E. Steel, com.	.	...	1	1	1	½	50	3½	¼
Do. 1st pref.	.	...	18	17⅝	17¾	18	50	30	9
Do. 2nd pref.	.	...	2¾	2½	2¾	2¾	515	10¾	1
Can. Car & Found., com.	.	...	48½	47	47¾	48	1852	49	33
Do. pref.	7	7.82	89½	88¼	89½	88½	585	90¼	73
Can. Fairbanks, pref.	.	...	...	...	...	...	...	60	60
Can. Forgings, com.	.	...	...	...	...	...	...	17	8
Do. pref.	.	...	70	70	70	70	157	70	41½
C.G.E., com. (par $50)	.	...	...	...	...	...	...	53	47
Do. pref. (par $50)	7	6.08	57½	56	57½	56¾	127	60	53½
Can. Locomotive, com.	.	...	...	...	...	...	...	42	35
Do. pref.	7	8.23	86	86	86	85	100	89½	73
Canada Iron, com.	.	...	12	12	12	10	2	12	9
Do. pref.	.	...	44	44	44	42	2	44	39
Dominion Coal	.	...	72	71	72	71½	88	72½	40
Dominion Iron, pref.	.	...	...	...	...	...	...	24¾	5
Dominion Bridge	4+2	5.00	122	118⅝	119	120	3170	122	80
Dom. Radiator, pref.	7	6.93	...	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	...	...	...	...	...	26	10⅝
Gould Pumps, pref.	7	7.00	...	...	...	...	...	100¼	100
Kelvinator, com. (no par)	.	...	11	9⅞	10	11½	295	24½	9⅞
Do. pref.	7	7.77	90	88½	88½	89	30	95¾	88
Ford Motor	10	...	...	...	...	...	...	622	500
McKin. Ind., c. (no par)	.	...	...	...	...	...	...	31½	15
Do. pref.	7	7.50	93¼	93¼	93¼	93¼	20	97½	87
Massey-Harris, com.	.	...	70¼	69½	69¾	70	795	73	40
Do. pref.	7	6.76	104	102½	104	102¼	92	103	93
N.S. Steel, pref.	.	...	...	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.45	77½	76½	77½	75½	115	78½	60
Do. pref.	7	6.89	101½	101½	101½	100	5	103	98
Russell Motor, com.	1⅛	...	...	...	...	...	...	50	39
Do. pref.	7	7.69	...	...	...	...	...	93	76
Sawyer-Massey, pref.	.	...	...	...	...	...	...	13	5
Steel of Canada, com.	7	5.90	119	117	119	117	703	120	95⅛
Do. pref.	7	5.49	128	125	128	125	31	126	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	20½	19⅝	19⅝	20	130	26⅝	18
Do. pref.	7	8.33	84	84	84	85½	5	92	83
Atlantic Sugar, com.	.	...	30½	29⅝	30¼	30	1088	32⅞	21½
Do. pref.	.	...	92	91	92	90	455	93	95
B.C. Fishing	5	5.97	88½	80	85	82	2995	108½	57¼
Can. Bread, com. (no par)	$2.50	2.66	...	...	...	...	...	95	53
Do. pref. (A)	7	6.45	108½	108½	108½	109	25	112	105
Do. pref. (B)	7	6.76	103½	103½	103½	104	5	108	96¼
Can. Canners, com.	.	...	21½	20½	21½	21	233	22	12
Do. pref.	4	5.19	77	75½	77	75⅛	1040	76½	60
Canadian Salt	8	6.40	...	...	...	...	...	145	125
Christie Brown (no par)	.	...	...	...	...	...	...	63½	31
Can. Bak., c. (no par)	.	...	34	34	34	34	90	37⅝	26¼
Do. pref.	7	7.07	...	...	...	...	...	100	92
City Dairy, c., (par $25)	12+1	4.10	79	78	79	80	160	85	65½
Do. pref.	7	6.08	115	115	115	116	5	116	107
Cuban Can. Sugar, com.	.	...	...	...	...	...	...	6	3
Do. pref.	.	...	...	...	...	...	...	37	21
Dominion Stores (no par)	$2.40	3.53	68	68	68	65	25	70½	56
Davies, Wm. (A) (no par)	.	...	29	28	28	29	413	37⅛	27½
Do. (B) (no par)	.	...	...	...	...	...	...	12	10
Inter. Milling, pref.	7	6.73	104	104	104	104	16	106	98½
Lake of Woods, com.	12	8.00	150½	149½	150½	151	272	175	139
Do. pref.	7	6.03	116	116	116	115	20	118	115
Loblaw, com.	$1.00	2.00	51	49	50½	45	152	55	29⅝
Do. pref.	7	6.66	...	...	...	...	...	105	100½
Maple Leaf Mill., com.	.	...	70	70	70	71	10	88	50⅝
Do. pref.	7	6.93	102	100¼	101¼	101	45	102	90
Ogilvie Flour, com.	5	2.43	205	202	202	202	55	205	165½
Do. pref.	7	5.73	122	122	122	123	68	125	117
Pure Gold Mfg. (no par)	50c.	...	...	...	...	...	...	23½	17½
Shred. Wh., c. (no par)	75c	5.26	57	57	57	58	35	59	47½
St. Law. Flour, com.	.	...	32	32	32	33	20	45	26
Do. pref.	7	8.75	...	...	...	...	...	84	79¼
Viau Biscuits, com.	.	...	...	...	...	...	...	28	18
Do. pref.	7	7.91	88½	88½	88½	89½	10	89½	85
Western Groc., c. (new)	.	...	28	28	28	29	1	84½	24
Do. pref. (new)	7	9.33	76	75	75	77	58	80	62
West. Can. Flour, com.	$1.40	5.83	24	24	24	23½	50	25	18
Do. pref.	6½	6.50	...	...	...	...	...	100½	97⅝
Utilities—									
Bell Telephone	8	5.83	138	137	137½	138	325	142½	136
Calgary Power	.	...	47	47	47	51	10	52½	47
Cedar Rapids	.	...	...	...	...	...	...	50	40
Consumers Gas	10	5.79	172½	172¼	172¼	172¼	132	183¾	170
Inter. Util. (A) (no par)	87½c	...	...	...	...	...	...	38½	29½
East Koot. Power	.	...	...	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.17	97½	97½	97½	97½	23	99½	96
Laurentide Power	5	4.00	125	120	120	120½	175	130	100
Mackay, com.	7	5.51	127½	127	127½	128	110	138½	121¼
Do. pref.	4	5.63	71	69¾	70¾	70½	72	73½	68¾
Mexican Light, com.	.	...	29	29	29	30	25	33	29
Do. pref.	.	...	...	...	...	...	...	86	64
Mont. L. H. & Pr., com.	2	2.89	70¼	69	69¾	70	2945	75	59
Do. pref.	.	...	...	...	...	...	...	50½	48½
Montreal Teleg. (par $40)	8	6.40	50	50	50	50	...	51½	47
Ottawa L. H. & Pr., com.	6	6.00	100	100	100	100¼	4	100½	92
Do. pref.	6½	6.31	...	...	...	...	20	105½	100
Ottawa & Hull Pr., com.	.	...	...	...	...	...	...	30¾	25
Do. pref.	7	7.21	...	...	...	...	...	97	97
Quebec Power, com.	6	3.04	199¾	194½	195	195½	1852	200	118
Do. pref.	7	3.57	197½	193	196	190	557	200	109½
Shawinigan	8	2.99	269	266	266	268	522	275½	167½
South. Can. Pr., com.	2	2.21	90½	89	90½	90	61	98	81
Do. pref.	6	5.88	...	...	...	...	...	104½	99
Transportation—									
Can. Pacific Rly.	10	5.95	167½	166	166⅝	169	55	169½	147
Can. Steamships, com.	.	...	...	...	...	...	...	33½	11
Do. pref.	.	...	95¼	95½	95½	95	2	96½	56
Do. voting	.	...	34¼	33	34½	35⅝	2885	33½	11
Do., new, com.	.	...	88½	85½	88½	35¾	6757	36¼	29½
Do., new, pref.	.	...	84	81¾	84	82	7305	83	75
Tractions—									
Barcelona (par $50)	.	...	34½	33	34½	31	290	40½	26
Brazilian, com.	5	4.86	105½	102½	104¾	104¼	19807	123½	80
Do. pref.	6	5.72	104¾	104	104¾	104½	80	108	97½
Detroit Un. Rly.	.	...	2	2	2	2	50	3½	1
Duluth-Superior	.	...	28	27	28	25	15	33½	25
Illinois Traction, pref.	6	6.00	...	...	...	...	...	100½	96¼
Montreal Trams.	10	5.88	170	170	170	169	470	190	159
Ottawa Traction	4+1	7.81	64	64	64	71	21	74¼	60
Porto Rico Rlys., com.	1	...	...	...	...	...	...	56	40
Do. pref.	7	7.60	92	91¼	91¼	92	12	94½	85½
Twin City, com.	5	7.93	63¼	60¾	63¼	60½	1215	79½	58
Do. pref.	7	6.93	...	...	...	...	...	103	101
Winnipeg Elec., com.	1	...	61⅝	60½	61	61½	2582	64	45¼
Do. pref.	7	6.86	102	100¾	100¾	101	49	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	35	35	35	35	60	49	35
Can. Converters	7	6.86	102	99	101	101	120	104	90
Can. Cotton, com.	8	6.95	...	...	...	...	...	124	113
Do. pref.	6	6.41	93½	93½	93½	95	7	99½	92½
Cosmos Imp., com.	.	...	15	15	15	15	27	16½	14¾
Do. pref.	.	...	92½	92½	92½	92¼	30	93½	92½
Can. Woollens, com.	.	...	6	6	6	5	5	8	4
Do. pref.	.	...	60¼	60	60	60¼	36	60¼	45
Dom. Textile, com.	5	4.73	107½	102	105	103	2181	107½	89
Do. pref.	7	5.80	119⅞	119⅞	119⅞	120½	100	122	115
Monarch Knitting, pref.	.	...	...	...	...	...	...	60	30
Montreal Cottons, com.	6	5.55	...	...	...	...	...	115½	102
Do. pref.	7	6.08	115	115	115	115	14	115½	110
Penmans, com.	8	4.30	186	185	186	185	39	191	173
Do. pref.	6	5.91	102	101½	101½	102	22	104½	100¼
Wabasso Cotton	4+50c	4.54	100½	99	100½	98	65	100	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.71	...	...	...	...	...	72½	54
Do. pref.	7	7.17	98	97½	97½	98	48	98	92
Asbestos Corp., com.	.	...	24	23½	23½	24	425	25¾	16½
Do. pref.	7	8.23	86	83¾	83¾	85½	1010	87	62
Building Products, pref.	7	7.44	94	93	94	91¼	20	94	83
Brant. Cord. pf. (par $25)	8	8.69	23¼	23	23	23¼	129	27½	23
Burt, F. N., com.	12	5.00	60	59½	60	59½	36	67½	50
Do. pref.	7	8.33	...	...	...	...	...	210½	210⅛
Canada Cement, com.	6	4.76	132¾	119	132	119½	8455	128	98
Do. pref.	7	5.93	118½	117½	117½	118½	77	120	113
Dom. Rubber, pref.	7	8.75	...	...	...	...	...	87½	80
C. Ind. Alc. (no par)	$1.28+20	...	28¾	22¼	23¼	28⅝	11991	34⅞	16¼
Crow's Nest Coal	6	8.88	67	66¼	66¼	68	105	85	51
Dom. Glass, com.	7	6.61	106½	104	104	104	1775	106½	81
Do. pref.	7	6.43	...	...	...	...	...	113	103
East Theat., c. (par $25)	.	...	...	...	...	...	...	30	18¾
Do. pref.	7	7.44	94	94	94	94	2	95	83
Famous Players, com.	.	...	20	17½	20	18¼	6	21	11
Do. pref.	8	8.51	94	93½	94	93½	104	94½	88
Gilman, com.	6	4.91	...	...	...	...	...	127½	104½
Do. pref.	7	5.38	...	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.40	96	94½	96	94½	95	99¼	85
Holt Renfrew, com.	.	...	50	50	50	38	25	50	26
Do. pref.	7+3½	7.78	90	85	85	92	125	92	84½
King Ed. Hotel (new)	.	...	20	20	20	...	35	20	20
Lyall Construction	.	...	37½	36½	36½	37	60	48	20
Nat. Brew, c. (par $25)	4	6.01	67¼	65½	65½	65½	3487	72	56
Do. pref.	7	6.66	105	103	105	106	163	110	101¾
National Brick, com.	.	...	...	...	...	...	...	12½	8
Do. pref.	7	10.76	...	...	...	...	...	72	60
Pacific Burt, com.	6	6.66	90	90	90	90	10	110	90

	Div. Rate	Yield Jan. 3	High for wk.	Low for wk.	Close Jan. 4	Close Dec. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Do. pref.	7	6.54	107	107	107	108	12	110	102
Page Hersey, com.	75c	5.12	58¾	57	58½	56¾	755	59½	43
Do. pref.	$1.75	5.92	119	117	117¾	119	165	120	100½
Port Hope Sanitary, com.	3	2.40	125	125	125	120	5	130	74½
Do. pref.	7	6.60	...	...	...	...	...	106	99
Rogers, Wm., com.	.	...	68	67½	67½	66	53	70	45
Do. pref.	7	7.52	94	93	94	93½	33	100	90
Sher.-Williams, com.	6	4.13	...	...	...	...	...	148½	125
Do. pref	7	5.93	118	118	118	114	35	120½	110½
Sterling Coal	4	...	36	36	36	37	5	43	36
Tooke Bros., com.	.	...	...	...	...	...	...	8	8
Do. pref.	.	...	82	82	82	82½	47	84½	56
Tuckett Tobacco, com.	4	4.88	...	...	...	...	...	73	58
Do. pref.	7	6.73	104	104	104	103	5	105¾	100
Woods Mfg., com.	.	...	45	45	45	47	254	48	38
Do. pref.	7	7.86	89	89	89	87	8	90	77¾
Standard Chem., pref.	.	...	...	...	...	...	...	9	9
Loew's, com.	.	...	...	...	...	...	...	40	36
Do. pref.	7	7.14	...	...	...	...	...	98	90
Trust and Loan—									
Central Canada	12+8	...	...	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.88	93½	93½	93½	93½	31	100	90
Can. Permanent	12	5.50	218	218	218	216	1	218	[illegible]
Colonial Invest.	6	...	...	...	...	...	...	7	4
Huron & Erie	7+½	5.45	...	...	...	...	...	137½	127½
Landed Banking	9	5.66	...	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	...	...	...	...	...	50⅛	50
National Trust	12	4.70	255	250	255	241	23	250	232½
Ontario Loan (par $50)	11	5.00	...	...	...	...	...	110	103½
Real Estate Loan	7	7.36	...	...	...	...	...	95	83
Toronto Gen. Trusts	12	5.45	...	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	...	...	...	...	...	100	93½
Union Trust	7	6.79	...	...	...	...	...	105	98
Nat. Trust, rights	.	...	24	20½	22	...	199	24	20½

THE CURB MARKET

	Div. Rate	Yield Jan. 3	High for wk.	Low for wk.	Close Jan. 4	Close Dec. 28	Sales for wk.	Range, 1926 High	Range, 1926 Low
Andes Pete.	.	...	...	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	35½	35	35	35	965	43¾	7
Beacon Oil	.	...	21	18½	19¾	18¼	4132	21	14¼
Belding, com.	6	7.01	...	...	...	...	...	85½	75
Do. pref.	7	6.86	...	...	...	...	...	102½	92½
Brit. Amer. Oil (par $25)	10+50c	3.63	84	82	82	82¾	1200	86	47
Do., new	.	...	21½	20⅞	20⅞	21	1034	22	20¾
Brew. & Distillers	.	...	5	4½	4⅞	4⅝	220	5¼	4¼
Can. North. Pr., com.	.	...	42½	42	42	41	7	43	28
Do. pref.	7	7.12	98¾	98¼	98¼	98¾	70	99	89¼
Can. Oil, com.	5	5.00	100	98	100	105	13	105	65
Do. pref.	8	7.01	114	114	114	117	50	117	100
Cockshutt, pref.	.	...	75	74	75	75	260	83⅞	57¼
Continental Oil	$1.00	...	20	20	20	19½	25	26	17⅞
Cosgrave Brew. (par $10)	5	6.84	7¾	7	7¾	7½	845	9	5
Dom. Engineering	$3	2.00	...	...	...	...	...	150	65
Dom. Power, pref.	7	6.98	...	...	...	...	...	101¼	101¼
Dryden Power (no par)	.	...	12	11½	11½	12	495	12	5½
Eastern Dairies	.	...	20¾	20½	20⅞	20¾	467	21	15½
East. Engineering	.	...	...	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	...	...	...	...	...	24½	15
Do. pref.	.	...	74	74	74	73	10	75	59½
Fraser Co., pref.	7	...	...	...	...	...	...	94½	94½
Good. & Worts	$1.00	2.29	45¾	42½	45¼	42⅝	2334	46½	27½
Hamilton Dairies	.	...	...	...	...	...	...	24½	21¾
Illinois Power, pref.	7	7.05	...	...	...	...	...	100	95
Imperial Oil	$1.25	3.29	38¼	37⅝	38¼	38¼	1796	39¾	32½
Inter. Petroleum	75c	2.34	32¾	32	32½	32¼	420	35½	29¼
Manitoba Power	.	...	54½	50	54½	48	453	53	24
McColl, com.	80c	...	24¾	24	24	24	94	25	18⅞
Do. pref.	7	7.00	100	100	100	100	83	100	95
Newsprint Co.	.	...	...	...	...	...	...	27	18
North Star Oil, com.	.	...	130	125	125	100	240	130	75
Do. pref.	7	...	495	485	485	480	275	495	450
Nor. Mex. Power, com.	1	...	46	45¼	45¼	46	150	55	40
Do. pref.	7	8.43	...	...	...	...	...	85	80
N.S. Car, com.	.	...	23½	14	23⅛	18	529	16	7½
Ot. Mont. Pr., c. (no par)	.	...	...	...	...	...	...	20	18
Do. pref. (par $50)	7	7.29	48	48	48	48½	8	48½	48
Ottawa River Power	.	...	...	...	...	...	...	25	25
Paton Mfg., com.	.	...	...	...	...	...	...	55	50
Do. pref.	.	...	...	...	...	...	...	100	75
Power Corp., com.	.	...	29¼	28	29¼	28	1169	28½	22
Do. pref.	6	6.38	94	93	94	93	60	95½	92
Pressed Metals	.	...	35	32	35	31	37	40	30
Seagram	.	...	16	15	15½	15⅝	4240	18	14½
Simpson, Robt., pref.	6	6.03	...	...	...	...	...	102	99
Sovereign Secs.	.	...	200	200	200	210	100	210	150
St. Law. Paper, com.	.	...	54	52	54	53	95	60½	35
Do. pref.	8	7.47	...	...	...	...	...	109½	103¾
St. Maurice Pr.	.	...	96¼	96	96½	98	131	101	72½
St. Maurice Valley	.	...	56½	56	56½	58	50	65	40
Toronto R.S.	.	...	...	...	...	...	...	195	110
United Secs., com.	.	...	52	50	51	50	15	65	50
Do. pref.	6	5.71	104⅞	104½	104⅞	104⅞	57	106	102
Volcanic Oil	65c	...	38	37½	38	37½	420	38	26
Venezuelan Pete.	.	...	7¼	7⅛	7¼	7⅛	60	7¼	7⅛

Calls P.E.I. Canada's Most Prosperous Province Now

"Prince Edward Island is the most prosperous province in Canada to-day," declared Austin A. Scales, of Summerside, in an interview in Halifax.

"The last two years has seen such prosperity as never before in the history of the province; and the oldest residents of the Island can recall nothing to equal it," added Mr. Scales.

Potatoes and foxes have been the magicians or the fairy god parents for the "Garden" Province these past two years. The sale of foxes for this year alone has amounted to over $3,000,000, and these returns have been very evenly distributed all over the Island, and not within the hands of several people.

There have been shipped so far this season about two and one quarter million bushels of potatoes. Out of a seven million bushel crop, about one million bushels are retained by the farmers for next year's seed; about half a million bushels are kept for local consumption; and there is a margin for the culling out. The exportable amount will be considerably over four million bushels. There were about 35,000 acres of potatoes under seed last year, giving an average yield of 200 bushels to the acre.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	18	20
Do., pref.	84½	87
Brooks Motor 1 pref. & 1 com.	6½	7½
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	175	190
Farmers Dairy, com.	62	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	7	12
Do., pref.	..	80
Fanny Farmer, com.	26	28
Federal Alcohol & Dist.	7	8½
Goodyear Tire, 6% pref.	93	96
Gunns, Ltd., pref.	27	32
King Edward Hotel, Deb. A.	72	75
King Edward Hotel, Deb. B.	62	64
Loew's Buffalo, pref.	55	60
Mount Royal Hotel, com.	6½	8
Nat. Grocers, 1st pfd.	97	100
Nat. Grocers, com.	2	7
Continental Life, 20% paid	42	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	62	..
Great West Life	410	450
Monarch Life 10% Paid	32	35
Mortgage Discount, pref.	6¾	7¼
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	26	31
Sun Life, 75% paid	560	..
Toronto Finance, pref.	3	4
Willard's pref.	67	71
Canada Life	600	..
Capital Life 20% paid	19	..
Mount Royal, pref.	59	61

D. J. McDougald J. B. McArthur

Government, Municipal and Corporation

BONDS

D. J. McDougald & Co.

Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

A STATEMENT

By the President of Dodge Brothers, Inc.

Within a few months, Dodge Brothers, Inc., and their subsidiaries will introduce a new line of motor cars, in no way conflicting with the market for Dodge Brothers present types, but occupying a considerably higher price field and produced in limited quantities.

Combining Dodge Brothers well known dependability with exceptional performance and striking beauty of appointment and design, these distinguished vehicles, we believe, will instantly set a new and higher standard in fine car practice.

Dodge Brothers will continue to produce their present line in maximum quantities to meet a demand which, during the year just ended, has called for an impressive total of 330,000 motor cars.

Pulp & Paper

H. SMITH PAPER POSITION BETTER AT END OF YEAR

Said That Net Earnings Will be 25 Per Cent. Higher Than 1925

From Our Own Correspondent.

MONTREAL.—Many forecasts are being made regarding the profits which the Howard Smith Paper Mills have earned during the year just concluded. It is said that sales during the year have been higher, with one exception, than ever before. Financial Counsel says that the 1926 sales were around $5,000,000 as compared with $4,829,006 in 1925; $3,908,426 in 1922; $2,908,544 in 1921, and the high for all time of $7,456,401 in 1920.

If these figures be correct, it is said that the net for the year after all charges and available for dividends and reserves will be around $550,000. Last year, from this net figure there was deducted $100,000 for reserves. If the same amount be deducted for the 1926 year, the earnings after payment of preferred dividends would amount to around 8 per cent. on the common stock. This compares with earnings on the common stock last year of 4.7 per cent.

Preferred Shares Participate

But the preferred shares of the company are participating with the common up to 10 per cent. Therefore earnings on the shares should only be worked out on the combined preferred and common shares. During the last two years earnings on both classes of stock combined amounted to 7.6 per cent. For 1926 the foregoing figures indicate that the earnings applicable to both classes of shares will be around 8.5 per cent. Dividends on the preferred shares are being paid steadily; this security naturally only participates with the common stock when the latter pays more than 8 per cent.

The output of the Howard Smith Paper Mills consists of every kind and grade of paper, with the exception of newsprint. Something over 10 per cent. of its production is exported to foreign countries, chiefly Mexico, Australia, New Zealand, India, Japan, China and the British West Indies. The actual profits obtained on the export of paper are said not to be large; however, by holding these markets, the company can cut down on overhead by means of its increased production. Moreover, the export trade is growing.

Canadian Cellulose Starts

Within a month the new subsidiary of Howard Smith, the Canadian Cellulose will enter production. This plant is situated adjacent to the Howard Smith Mills at Cornwall, Ontario, and is equipped to produce 50 tons of soda pulp daily; this production can be doubled without any addition to the existing buildings—further equipment only will have to be added.

The Howard Smith Mills will take a portion of the output of this subsidiary and the remainder will be sold on the open market. Incidentally, the new chemical pulp mill will consume poplar wood—a raw material which is less costly than spruce. The company has acquired poplar limits from the Ontario government.

Howard Smith Paper Mills operates, in all, three mills located at Beauharnois and Crabtree Mills, P.Q., and Cornwall, Ont. The pulp production of these plants is 90 tons daily of which 60 tons is sulphite and the remainder groundwood. From this pulp is produced daily 60 tons of writing and other high grade papers, 15 tons of book paper, 15 tons of blotting paper and about 5 tons of various special papers.

Has Built up Position

Since the middle of July, 1924, the company has paid no dividends on its common shares; earnings have gone back into the property with a resulting benefit to its financial position and the appearance of the balance sheet. It is anticipated that the forthcoming annual report will show still further betterments of this kind.

While the company has doubtless strengthened its position considerably during the year, there is nothing which would indicate the resumption of divends on the common stock; apparently it is the intention of the management to build up the company to such a position that when dividend payments are once again resumed there will be but little danger of their discontinuance.

St. Regis Builds Soon

MONTREAL.—The St. Regis Paper Company will probably commence the erection of its new 400 ton paper mill at Cap Rouge, P.Q., this spring. The mill will enter production during the latter half of 1928.

NEWSPRINT MILLS HAD GOOD EARNINGS

1926 Results May Offset Somewhat Present Hesitancy in Newsprint Market

From Our Own Correspondent.

MONTREAL.—With the closing of the old year, many of the newsprint companies have either completed the whole, or the first six months of their fiscal years. For the whole year the Canadian mills have been operating at capacity—in some instances at over their rated capacity.

This indicates that earnings up to the end of 1926 should be equal to the earnings in 1925, despite the $5 per ton cut in the price a year ago. What the mills lost through the lower price in 1926 will be found to have been made up by the increased output. This is borne out by the statements of those companies which ended their fiscal years about the middle of 1926. These companies showed in their statements that earnings had been maintained despite the price cut.

Offset to Some Extent

If there be a slowing up in the industry during the coming six months, the lowered earnings, which such a state of affairs would produce, would, to some extent at least, be offset by the satisfactory earning position of the companies during the past six months. Thus, even presuming some surplus production during the next few months, those companies which end their year in June should not show very material reductions in their profits. Perhaps by that date the present uncertainty which prevails in the newsprint market will have adjusted itself and the demand may have caught up to the increasing output of the Dominion.

Should the present slackness in the demand for newsprint persist for any length of time, naturally it could not help but affect the earnings of the newsprint companies.

Hesitancy in the Market

While at the moment there is undoubtedly some hesitancy in the newsprint market, it is not the weakness of the market which matters, but the duration of such weakness. In the meantime, due to this situation, the newsprint securities have slumped slightly.

Those who desire to purchase newsprint stocks at the lowest possible level will have to do some very careful figuring in order to pick the proper moment at which to buy these securities. The strategic moment, of course, would be just before the consumption again catches up to the demand. It is naturally impossible to forecast just when this strategic moment will be. It might be a month hence, or it might be twelve months hence.

All of which indicates that none can foretell the immediate course of the market for newsprint stocks—but the ultimate tendency, it would appear, can hardly be anything else than upward, provided the investor is willing to buy stock in one of the ably-managed companies and to hold his securities over a term of years.

Graustein Satisfied With Paper Outlook

From Our Own Correspondent.

MONTREAL.—Speaking on the developments which are being undertaken by his company, A. R. Graustein, president of the International Paper Company, appears to be fairly well satisfied with the outlook of the pulp and paper industry as a whole. He said:

"I believe 1927 should be a year of continued prosperity for the country. The present industrial situation is sound and I see nothing to indicate any marked disturbances. The paper industry is continuing the expansion in Canada of its low-priced product — newsprint — to be closer to the reserves of wood and water power, and developing the production of higher-cost products at points where reserves of highly skilled labor exist relatively close to the large consuming centres. All this tends to economy of production, which should offset to a great extent the declining tendency in profits due to the increased competition.

"There has been a steady and substantial increase in demand for International Paper Company's principal products. The consumption of newsprint paper in the United States has practically doubled between 1915 and 1925 with an almost unbroken record of annual growth averaging 6.6 per cent. a year. This year consumption is running at a rate of 15 per cent. or more in excess of last year's record. There has also been a large increase in the demand for sulphite pulp, due both to the increased consumption of book and magazine papers and to its use as a raw material by the rayon industry.

"The company is still further advancing its commanding position by following a definite and carefully worked-out program for the enlargement of its present manufacturing facilities to meet this steady increasing demand and for the development of its extensive water powers and other latent resources."

Mattagami Still an Entity

MONTREAL.—It is understood that G. T. Clarkson, receiver of the Mattagami Pulp and Paper Company, will continue to operate the property until such time as the necessary legal formalities of transferring the assets to a wholly owned subsidiary of the Abitibi Power and Paper Company are completed. The transfer will require a few weeks.

Canadian Pulp and Paper Index

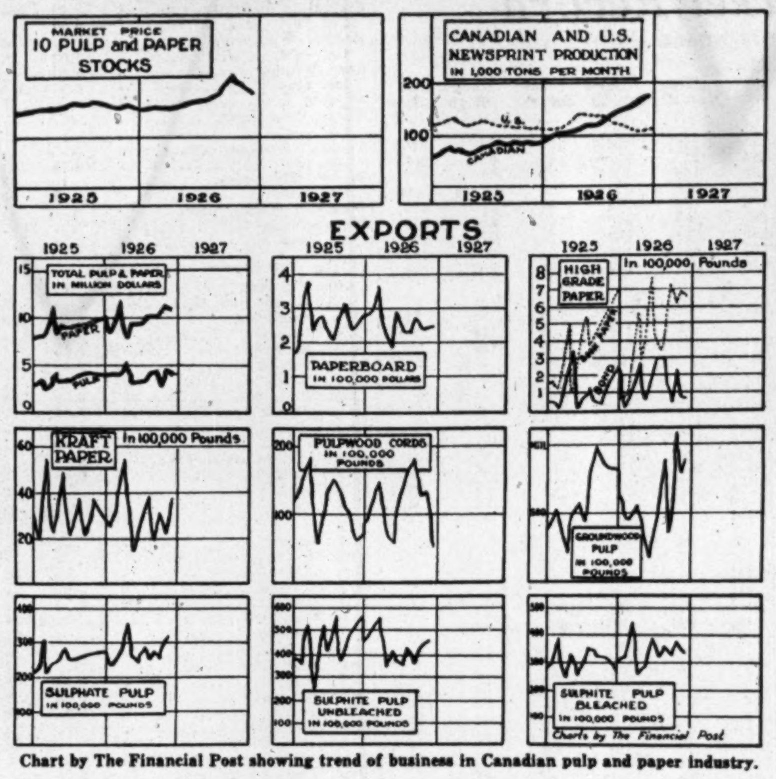
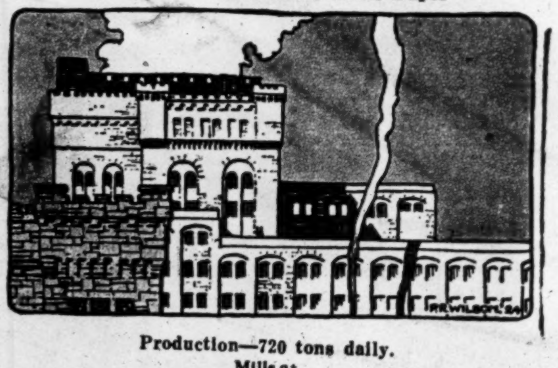


Chart by The Financial Post showing trend of business in Canadian pulp and paper industry.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

HYDRAULIC TURBINE
Machinery and Accessories
—Leffel Design—
Built in Canada and backed by 60 years' experience in this field
WILLIAM HAMILTON LIMITED
Head Office: Peterborough
VANCOUVER MONTREAL WINNIPEG

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

Clothes and Paper
John Hetherington Smith's Tuxedo is the best suit of clothes he owns—but he doesn't wear it to church. Nor did he wear his furnace clothes to the New Year's party. There's a time and place for everything.
—even PAPER.
No Bond Paper is too good for your letterheads—Superfine Linen Record, for instance. It adds a background of prestige and sound judgment to your typewritten message. But for inter-office memo and departmental purposes, a lower quality paper is plenty good enough.
Rolland Papers fill the various needs of any office. Each sheet is made to suit a purpose—to suit it to the letter. Nearly half a century's experience making high grade papers is behind it. And the "R Shield" Watermark is our guarantee of paper perfection. Look for it on any of the following well-known papers:
Superfine Linen Record
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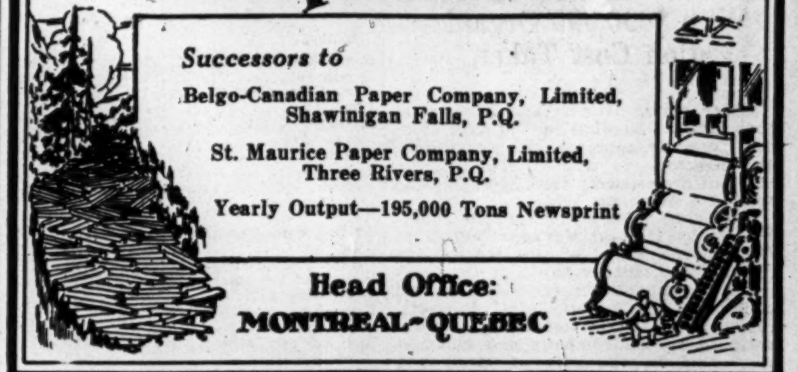
Colonial Bond
Service Bond
Mount Royal Bond
Rockland Bond
THE ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers since 1882
MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC



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ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES
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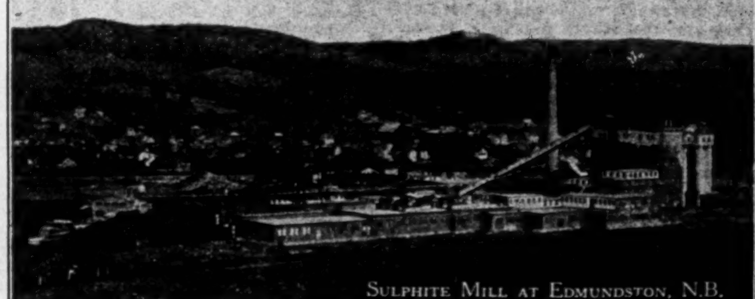
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers



SULPHITE MILL AT EDMUNDSTON, N.B.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

Pulp & Paper

(Continued from page 6)

BRITISH COLUMBIA PULP AND PAPER POSITION BETTER

Probably in a Position to Consider Dividend Payment—Preferred 15% in Arrears

From Our Own Correspondent

MONTREAL.—The British Columbia Pulp and Paper Company's two plants are daily turning out around 200 tons of sulphite. The company owns in all three plants, situated at Woodfibre, B.C., Port Alice, B.C., and Swanson Bay, B.C. The last mill has not been in operation for a considerable period.

The production of the Woodfibre plant has already been increased 15 tons a day and the output at Port Alice will be increased by another 15 tons per day during the early part of this year. In addition to this increased output, the plants have been improved during the year by extensions both to buildings and to equipment, which have bettered the quality of the product. The company has already made trial shipments of pulp suitable for the manufacture of rayon, and it is expected that in the coming year it will experience an increase in the demand for this grade of pulp. At the present time, some 675 men are being employed at the two mills.

Interesting Possibilities

The British Columbia Pulp and Paper Company came into being on November 1, 1925, as a result of the reorganization of the Whalen Pulp and Paper Company. The bondholders of the latter exchanged their holdings par for par for bonds in the new company; the arrears of bond interest were met by the preferred stock of the B.C. Pulp and Paper Company.

The balance sheet covering the first six months of operations of the new company has already been published; this showed that the bond interest had been earned by a substantial margin up to the end of April, 1926. It is understood that the business of the company during the remainder of 1926 has been more than maintained due to the more satisfactory position of the market for sulphite pulp, the widening of the company's markets in the Orient, and the efficiency of the management which is headed by Lawrence Killam.

This brings up interesting possibilities regarding the preferred stock which on February 1 next will be 8¾ per cent. in arrears.

As the next dividend date of the company is February 1, it would not be surprising if the directors decided to take some form of dividend action shortly.

St. Maurice Valley Suffers Few Fires

From Our Own Correspondent.

MONTREAL.—The association of timber limit owners along the valley of the St. Maurice River has achieved very successful results during the past season from their efforts at fire prevention. The association in the valley controls some 16,000 square miles of timber limits along the river. In all, 80 steel observation towers, 65 to 80 feet in height, have been erected, and also 1,600 miles of telephone wire have been strung to connect these posts.

Fire observers were posted in the towers throughout the dry season, and any fire could easily be seen from two or three points, so that any outbreak was immediately located and reported to headquarters. The association employs a manager, 35 inspectors and assistants, 80 fire-guards in towers, 100 patrols, 50 telephone linemen, and 5 switchboard employees. During 1926 only 90 acres in this district were burned. Approximately 33,000 people visited these limits on the St. Maurice during the year.

Canadian Newsprint Finds Markets Are Broadening

From Our Own Correspondent.

MONTREAL.—One satisfactory feature of the Canadian newsprint situation is that the mills in this country are finding larger markets for their output. During 1926 the United States naturally increased very largely its imports of Canadian newsprint but, more than this, imports from Canada filled a larger proportion of the demand for foreign newsprint in that country. In other words, Canadian production is tending to supplant newsprint from overseas countries in the U. S. market. Other overseas markets for Canadian newsprint also are increasing.

Overseas shipments of newsprint were greater in 1926 than in any year since 1920, increased shipments being sent to South America, Australia, New Zealand and South Africa. The effect of the trade treaty with Australia is seen in the fact that exports to that country in the ten months' period amounted to 24,849 tons, as compared with only 249 tons in the corresponding period of 1925.

Laurentide Rumours Die; Stock at Normal Level

From Our Own Correspondent

MONTREAL.—The shouting and the tumult regarding the future of Laurentide has died away and there are no longer the rumors in circulation about the company which so signalized the past month. The result of the death of the propaganda, which never received any official confirmation, is seen in the slump in the shares. The present price is much around the average level which prevailed in December, but it is considerably below the high of last month of 118¼. The weakness in the stock is also attributable to the more or less general weakness in the newsprint group.

Heads Prairie Hockey League

Col. W. E. Seaborn, Moose Jaw lawyer, sportsman and business man, and a real booster for all things western, is president this year of the Prairie Professional Hockey League.

SPANISH EARNING ABOUT 15 PER CENT.

Earnings During First Half of Fiscal Year Said to Exceed 1925

From Our Own Correspondent.

MONTREAL.—Close followers of the Spanish River Pulp and Paper Mills say that, during the first six months of the fiscal year which ended December 31, 1926, the earnings on the preferred and common stock combined were 15 per cent. As the common stock of the company pays 7 per cent., and as the preferred shares equally with the common in any increase in the dividend on the junior security, the earnings on the both classes of stock can not be considered independently.

The earnings on the combined preferred and common over the past five years are as follows:

	%
1926	12.15
1925	12.64
1924	17.26
1923	12.08
1922	10.13

Possibilities of Future

Apparently expansion of Spanish River in the future lies along holding company lines and there appears to be no desire on the part of the management to increase the magnitude of the company's physical operations, but instead, an interest in other projects has been acquired.

These include such companies as the Ste. Anne Paper, the Manitoba Paper and the Fort William Pulp and Paper Company. The latter has proved itself to be a good investment and as time goes on the other paper mill investments will become a source of revenue to the parent company. The Manitoba Paper Company has already entered production and the Ste. Anne Paper will begin producing early this year.

While there has been much discussion for many months past regarding the possibility of larger disbursements to the shareholders, the management has followed the conservative policy of building up the company's financial position and placing the property on a basis such as will allow it to meet and surmount any possible difficulties which might arise throughout the newsprint industry as a whole. Earnings have also gone back into plant and equipment; this will tend to increase revenues and to reduce costs.

Quebec Pulp & Paper May Acquire Limits

From Our Own Correspondent.

MONTREAL.—It is understood that the Quebec Pulp and Paper Mills is negotiating with the province of Quebec to acquire further timber limits and that the provincial government regards the overtures of the company favorably. Thus, it appears that the Quebec Pulp and Paper Mills will probably obtain its limits on a satisfactory basis.

As yet, the company has declared no dividend on its preferred stock. It is thought that in the immediate future it will continue to build up its financial position and that probably no preferred dividends will be declared—at least for some time.

Dominion Textile Soars On Future Developments

From Our Own Correspondent.

MONTREAL.—The recent strength in the shares of the Dominion Textile Company has led to the belief that it is merely a matter of time until the shareholders receive further consideration. The company is at present on a 6 per cent. basis and for the year which ended March 31, 1926, the earnings on the common amounted to $6.48 a share; the latter compares with $5.22 a share in 1925, and $4.13 a share in 1924.

At the close of the 1922 fiscal year there were $9,000,000 in bonds outstanding and at the close of the last twelve month period this figure had been reduced to $5,172,000. During the four years, also the surplus account was increased by almost $1,000,000.

There is, of course, no information which would indicate increased dividends or other action which would make the shares more valuable, but the results which the company has been able to achieve in the past speak so loudly that perhaps the guesses which are now being made regarding the future possibilities of the stock may not be very far wrong.

At the moment there seems to be no indication that the management contemplates any immediate action; those who are purchasing the shares at the present levels are apparently willing to hold on until such time as some favorable development takes place. When this will be is purely a matter for conjecture.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

NEW COMMON TO ADD $395,000 TO LOBLAW CAPITAL

Expansion Programme is Not Immediately in Prospect, it is Declared

Sales of new common stock of Loblaw Groceterias, which shareholders are given the right to purchase at $25 each for every ten shares held, will add $395,000 to the working capital of the company, according to T. P. Loblaw, president.

No specific expansion programme is contemplated by the company, it is learned. The real purpose of the issue, it is said, is to replace in the company the $260,000 cash which has been invested in the Buffalo enterprise. The parent company owns 2,000 of the common shares of Loblaw Groceterias, Inc., of New York, which operates a number of stores in Buffalo and vicinity and which recently added $360,000 to its capital for expansion purposes.

It is not expected that the Ontario company will give up title to its stock interest in the Buffalo enterprise, which is potentially valuable, although it was shown on the last balance sheet of the Ontario company as valued at $1.00.

Seek New Locations

Loblaws are known to be seeking new locations for stores both in and near Toronto and at some distance from the central warehouse. But the company is expected to adhere to its policy of not forcing growth more rapidly than the facilities of the organization justify, although, undoubtedly, with the record so good as to cause widespread comment, there would be no difficulty in financing any programme into which the directors might care to embark.

There is no doubt that new stores will be opened from time to time, as locations are decided upon, as personnel is built up and as warehouse and transportation facilities are established. But, in the meantime, the $395,000 which will be realized by the sale of common shares at $25 will go into the company's treasury for contingencies and future commitments.

There was a marked appreciation in the value of Loblaw common with the announcement of the additional issue. The stock sold ex-rights for the first time on Monday, but on December 30th there had been a jump from 44 to 50 on the Toronto stock exchange.

APPRAISALS REPORTS INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

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Recognition of this scientific basis of valuation is seen in the nation-wide endorsement of CANADIAN APPRAISAL service

Canadian Appraisal Company Limited

MONTREAL TORONTO NEW YORK

Asbestos Corp. Has Bettered Position

From Our Own Correspondent.

MONTREAL.—The general situation affecting the Asbestos Corporation appears to have undergone steady improvement, and The Financial Post estimates earnings on the common stock for the year just ended of around $2 per share; probably the actual earnings which will appear in the annual report for the year 1926 will be a little below this figure. When the corporation first came into being at the time of the large asbestos consolidation, many of the buyers of asbestos, anticipating increased prices, laid in large stocks, but these stocks have been reduced, and during the past two or three months the demand for the output has shown a satisfactory improvement.

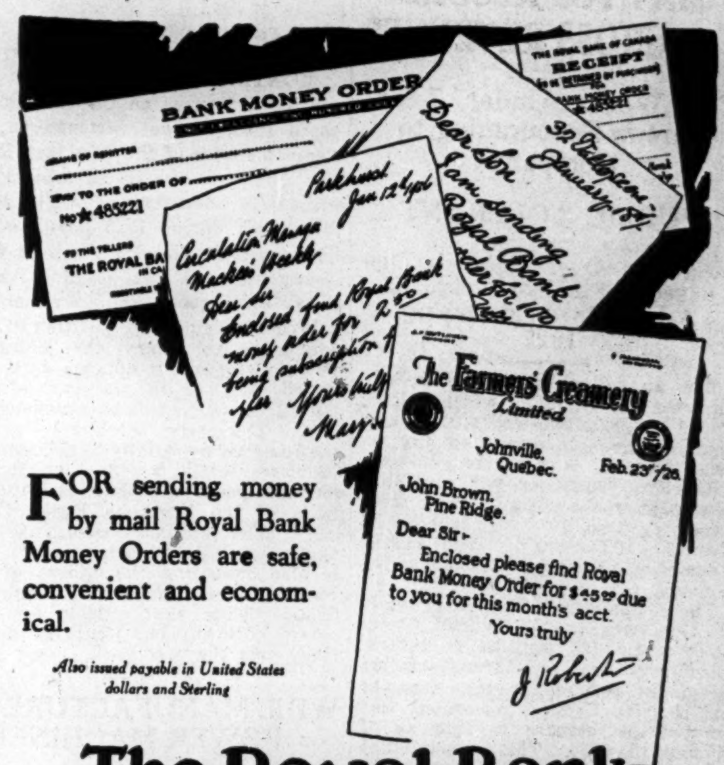
Earnings Have Increased

It is said that earnings at the present time, if maintained during 1927, are sufficient to show very satisfactory profits on the common stock during the coming year.

As far as the common shareholders are concerned, it is satisfactory to note that the common stock is now in what brokers usually refer to as a "satisfactory technical position." When the merger was first consummated, naturally there were large blocks of stock distributed to some of the component corporations and to a few individuals. It is understood that now practically all the common stock is in the hands of those who intend to hold it over a period of years. In other words, there are no large blocks of stock overhanging the market which might tend to depress the price at which the stock changes hands.

Form Dairy Export Company

United States dairy operators have taken out a charter under the name of the Provincial Dairies for carrying on a cream-exporting business in Ontario. Their shipments will be made mainly to Florida and other southern parts, it is said. It will be an all-year-round business and should provide the farmers of the neighborhood with a steady market. W. W. Habby, of Utica, New York, is president of the company.



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by using the facilities and experience of this organization.

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THE STERLING TRUSTS CORPORATION

10-12 East King St., TORONTO
Branch:—REGINA

Wabasso Cottons are Canada's best

Wabasso superior workmanship, unsurpassed mechanical equipment and high standard of manufacture make these cottons the equal of any the world produces.

A complete line of both white and coloured fine cottons, Hosiery, Warp, Magnet and Mercerised Cotton, Yarns, Corset ..., etc. Wacosilke, an exclusive fabric, made from finest Wabasso combed yarns and Celanese Brand yarns.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

BEYOND COMPARISON —in Number of Features, and in Quality of Features the Chrysler "60" is acclaimed as outside of all comparisons in the lighter six field

CHRYSLER "60" Sedan $1785 F. O. B. Windsor Ontario

Attempt to compare Chrysler "60" features—in number, in quality—against those of the ordinary six in its price field, and the advantage in favor of Chrysler at once will convince you that comparison is impossible.

Of course, the Chrysler "60" has finely balanced seven-bearing crankshaft, impulse neutralizer, oil-filter, air-cleaner, Chrysler four-wheel hydraulic brakes, full pressure lubrication, manifold heat control and road levelizers—has had these and other "new" features ever since its introduction.

But the really distinctive features of the "60" are its typically Chrysler features—its superb beauty, its inimitable performance, its amazing speed and acceleration, its unfailing dependability and long life, its handling and riding ease, and its outstanding low prices.

Try the Chrysler "60" against the other cars you may consider comparable. You will then be bound to rate it *beyond comparison*—utterly unapproachable by any other six of its type and price.

Touring Car	$1485	Roadster	$1585
Club Coupe	1555	(with Rumble Seat)	
Coach	1650	Sedan	1785

All prices f.o.b. Windsor, Ontario (freight only to be added), including all taxes, bumpers front and rear, spare tire, tire cover, and tank full of gasoline.

CHRYSLER CORPORATION OF CANADA, LIMITED
WINDSOR, ONTARIO

WALTER P. CHRYSLER, Chairman of the Board

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DOMINION TEXTILE CO., LIMITED

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TOWELS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

Public Utilities

DULUTH TRACTION MAY TOP RECORD GROSS REVENUES

Ten Weeks Under 7-cent Fare is Encouraging to Company

PUBLIC TOLERANT

Litigation Over Rates is Disposed of Finally; Dividends Are in Prospect During 1927

The annual report of the Duluth-Superior Traction Co., which will be issued in about two weeks, will show gross earnings in excess of any recent year, it is reported on good authority. Only one per cent. has been paid on the common stock since December 31st, 1918. It is believed that the 1927 earnings will justify resumption of regular dividends on the common.

The company, which owns virtually all the stock in the Duluth Street Railway Co., as well as of several subsidiary bus and transportation companies serving Duluth, Superior and Douglas County, Wisconsin, was granted an increase in fare as of October 15, 1926. This fare is eight cents, or seven rides for 35 cents. The former fare was six cents. The 4 per cent. cumulative dividend on the preferred is paid to date.

Revenues Are Up

Although control of this company rests in Canada, there has not been active trading in the stock in recent years. The latest transactions were on December 30th, at 28-27.

Gross operating revenues in 1925 totaled $1,873,013. The 1926 figures will top these, it is asserted, and the prospects for 1927 are even better because the new rate of fare for the first time will apply to the whole year. The best year in the company's history was 1919, when the total railway operating revenues were $1,937,142. In addition, the company has non-operating revenue, principally from invested surplus, of about $32,000 annually.

No controversies as to rates of fare are pending. The company about eighteen months ago applied for an increase in fare because it was apparent that six cents could not yield revenue sufficient to yield 7½ per cent. on the valuation fixed by the railroad and warehouse commission of Minnesota. The commission in due course ordered the increase, but the application thereof was delayed because the city attorney of Duluth secured a temporary restraining order. The annual report of the directors a year ago expressed confidence that the constitutionality of the order would be upheld in the courts. This confidence was shown to be justified a few months ago, when the company finally was authorized to apply the higher rate of fare.

Public More Tolerant

Duluth and Superior are two prosperous cities. The car-riding public has become accustomed to the higher fare and the service is reported to be fairly satisfactory from the public viewpoint. No labor trouble impends. The company has been free from strikes since 1912.

Duluth-Superior, like other traction companies which have made reasonable efforts to improve service as rapidly as earnings permitted, is finding the public more tolerant than is true in cities where the apparent aim of directorates and managers is to secure high fares for a minimum of service. The company is finding, also, that the public is coming more fully to understand the problems surrounding street-car operation and the financing of traction companies.

Company Has Reserves

This company has been exceptional among traction companies in that its reserves were adequate to tide it over difficult periods. The public it served benefited in large measure by these reserves of cash and readily negotiable securities, but in less enlightened days, not yet far distant, the very existence of reserves made it difficult for the company to secure rates which would give it adequate earnings on the actual investment. Latterly, however, this attitude has changed somewhat, and it has come to be recognized that the Minnesota law governing return is reasonable.

The Minnesota law requires that the railroad and warehouse commission appraise the property actually used in operating the traction lines. Then the commission is required to fix a rate of fare which will yield 7½ per cent. on this valuation, regardless of whether or not capitalization is higher. Although the Duluth city authorities have fought the order of the commission issued in pursuance of the law, the public, it is said, has adopted a reasonable attitude since the final decision of the court.

Duke-Price Plant Will Be Connected by Fall

From Our Own Correspondent

MONTREAL.—The Shawinigan Water and Power will be distributing power from the Duke-Price plant at Isle Maligne by October next, according to the plans of the engineers in charge of the work. A portion of the power so supplied will be utilized in the operation of the Anglo-Canadian Pulp and Paper Mills, at Limoilou, near Quebec, and other similar plants in that territory. At the present time more than half of the right-of-way of the line has been cleared by the construction gangs. The strip of land on which the new transmission line will run goes through the Laurentide National Park. The provincial government is to have the opportunity of utilizing the area cleared for the line as a highway.

'Peg Electric Earnings to be About 4.5%?

From Our Own Correspondent.

MONTREAL.—For the year just concluded, figured on the same basis as in 1925, the net earnings on the common shares of the Winnipeg Electric Company should be around 4.5 per cent. The earnings on the common stock during 1925 amounted to 2.16 per cent. During the past year the gross and net earnings have shown an increase month by month.

With the improving position of the company's subsidiary, the Manitoba Power Company, it appears as if the improvement in the earnings of the parent company will be continued in 1927. The power subsidiary has recently added materially to the amount of power which it sells through the commencement of production from the mills of the Manitoba Paper Company. The subsidiary, also, is to add another unit to its power plant and is also extending the sphere of its operation to the Manitoba mining fields. Thus the outlook for the parent company has improved materially over the past year.

WILL MANUFACTURE POWER MACHINERY

New Corporation Takes Over Plant at St. Catharines and Will Enlarge It

A new corporation, known as the Canadian Power Specialty Company, Limited, has been formed largely through the efforts of G. B. Greene, of the General Supply Company of Canada, Limited, Ottawa, and G. R. Cottrelle, of the Canadian Bank of Commerce, Toronto.

The corporation has purchased the plant and business of the Engineering and Machine Works of Canada, located on the Welland Canal at St. Catharines. This property amounts to some thirty acres, has spur tracks from two railroads, docking facilities on the canal and includes foundry, machine shop, erecting shop, office and auxiliary buildings.

In addition to building marine boilers, pulp and paper machinery and general mill equipment, which were formerly produced at this plant, the new company will manufacture under exclusive Canadian rights important power plant equipment heretofore made only in Great Britain and the United States.

The company has acquired rights for the whole of Canada of apparatus internationally known and including the patented superheaters, economizers, water backs, water-cooled furnaces, and special heaters, which have been universally marketed under the trade name of "Foster." These devices have been built and consistently improved and expanded for more than twenty years. Numerous Canadian installations have been made and Canadian engineers are thoroughly familiar with these high efficiency devices, all of which have previously been imported. From now on the new company and its complete plant will handle the entire Canadian business.

In addition to the heat-absorbing devices for power plant work, the company has secured the exclusive rights for Canada of the Aero Unit Coal Pulverizer. This machine is of the highest grade in its class and is based upon long experience and much detailed research. It was the first unit pulverizer built on the American continent. The original machines were tried out prior to the year 1900.

Another of the products is known as the Foster Tubular Oil Still. More than 500 of these heavy-duty units have been installed for purposes of treating many grades of oil; for cracking, topping and re-running uses in petroleum refineries. It was the improvement in oil stills as worked out in the design of these heaters which has made possible the great advance in the production of the so-called cracked gasoline which exists at present.

The management will provide large additions of machinery for producing the heavy type of product to be made, and the present operating staff will be largely increased in the immediate future.

Public Utility Earnings

TWIN CITY RAPID TRANSIT

Net Earnings—	1926	1925	1924
Jan.-Oct. inc.	$857,121	$614,594	$668,735
November	166,361	9,388	134,954
Eleven mos.	1,023,482	623,982	803,689

WINNIPEG ELECTRIC CO.

November—	1926	1925	Increase
Gross Earn.	$ 528,649	$ 482,928	$ 45,720
Oper. Exp.	355,275	323,221	32,054
Net Earn.	$ 173,373	$ 159,707	$ 13,666
11 Mos end. Nov. 30—	1926	1925	Increase
Gross Earn.	$5,080,702	$4,838,174	$242,528
Oper. Exp.	3,547,889	3,477,181	70,707
Net Earn.	$1,532,813	$1,360,992	$171,821

INTERNATIONAL POWER CO.

9 Mos. end. Sept. 30—	1926	1925
Gross Earn.	$1,568,472	$1,351,539
Operating Expense	827,496	712,724
Net Earnings	$ 740,976	$ 628,815
Int. on Underlying Sec.	204,720	
Appli. to Com. Stock of Controlled Co's.	$ 536,256	
To Minority Interests	178,993	
	$ 357,263	
Preferred Dividend	210,000	
Balance	$ 147,263	

CAPE BRETON ELECTRIC

October—	1926	1925
Gross Earn.	$ 51,547	$ 50,407
Operating Expense	41,175	39,066
Net Earnings	$ 10,372	$ 11,341
Interest Charges	6,049	5,780
Balance (for Res., retire., and dividends)	$ 4,322	$ 5,560
12 Mos. end. Oct. 31—	1926	1925
Gross Earnings	$605,120	$568,725
Oper. Expense	487,478	486,835
Net Earnings	$117,642	$ 81,890
Interest Charges	69,291	68,799
Balance (for Res. retire. and dividends)	$ 48,350	$ 13,090

x—decrease.

TWIN CITY WILL SHOW IMPROVED BALANCE SHEET

Winter in These Times is Best Earning Period for Tractions

TO LET FARE REMAIN

Return is Not Yet Equal to 7½ Per Cent. of Valuation, But Directors Await Test Over Longer Term

Before the advent of the automobile among folk of ordinary incomes, traction companies enjoyed their best months when the weather was hot. The winter months, with their storms, were the red-ink months.

This has been changed in recent years. Traction companies now enjoy their best times in the winter when the automobile owner is inclined to leave his car in the garage rather than risk icy pavements, deep snowbanks and rapid deterioration due to parking in snowbound areas in icy temperatures.

Winter Starts Early

Twin City Rapid Transit Co., which serves St. Paul and Minneapolis and environs, is one of the companies which now does better in the winter months than in summer. In 1926 the Minnesota winter set in early and there was an early laying up of private automobiles which in the summer so seriously compete with the street-railway companies and its omnibus subsidiaries.

It is expected that the figures to be revealed at the annual meeting late this month will show substantially improving earnings since the summer months, with one exception. The total net revenue is not yet sufficient to earn the 7½ per cent. contemplated when the new rate of fare became effective January 1, 1926. But it is hoped that, assuming a continuance of heavy traffic for the next three or four months and a similar revival next fall, the new fare will prove adequate. The company has the advantage this winter of operating under a fare which has been established, whereas early last year there may have been a tendency on the part of the public to forego riding on the street cars rather than pay the higher fare which was the subject of political bickering by local politicians.

The prosperity of Minneapolis and St. Paul depends in no small degree on the prosperity of the Northwestern states. This district, in the opinion of many observers, is on the eve of substantial progress for the first time in almost a decade. The worst blow that the region could possibly feel was the distress incident to the bankruptcy of the Chicago, Milwaukee & St. Paul railway. The effects of this now, however, are in the past, and it is anticipated that there will be material prosperity covering a period of years.

Will Maintain Dividend

It is anticipated that the 4 per cent. dividend on Twin City common will be maintained as a matter of course by the directors, while there is a possibility that, before the year is out, an increase in the rate may be justified. Twin City common begins 1927 at prices ranging between 63 and 60¾.

While earnings leave much yet to be desired, and much to which the company is entitled under Minnesota law, the disposition of the directors is to let existing rates stand, at least until it is shown definitely that there is no hope of earning 7½ per cent. under them over a prolonged period. The directors are aware of the possibility that, if fares are advanced too much or too rapidly, there may be a positive decrease in revenue due to resentment on the part of that portion of the public which fails to understand the need, or from another portion which feels that it cannot afford to pay the fare necessary.

Bell Telephone Head Optimistic About 1927

From Our Own Correspondent

MONTREAL.—The Blue Bell, house organ of the Bell Telephone Company, contains a message from P. A. McFarlane, the general manager, which outlines the plans of the company for 1927. Mr. McFarlane says in part:

"The provisional estimate for 1927 shows a large construction programme. It is planned to instal new machine switching offices in Montreal and Toronto, with further extensions of existing machine switching offices in both of these cities. A toll cable will be erected from Hamilton to Grimsby and then on to Bridgeburg. There will be some new manual switchboards and some additions to existing boards. The outside plant will be further improved and extended.

"The net station gain is estimated at 40,000 for the year—a conservative estimate which should be reached without strenuous effort. We also anticipate a reasonable increase in the long-distance business, due to the further introduction and development of speedier handling of short-haul toll traffic. I believe we can look forward with reasonable assurance to this substantial gain in stations and an increase in long distance. Both these factors produce new revenue.

"All of these considerations lead us to feel optimistic toward our operations for the coming year. Reviewing all of the conditions surrounding the successful rendition of telephone service, we can feel that the public appreciate the satisfactory character of the service they are receiving. If this is so, then we may take it as our incentive to greater improvements in service, with economical operating results during 1927."

Quebec Southern Listed

MONTREAL.—The common shares of the Quebec Southern Power Corporation were placed on the Montreal Curb Exchange over a week ago. At that time, $15 was bid for the stock. The latest quotation shows a bid of 19½.

Light Bills Go Up When Sun is Hiding

With the arrival of winter the sun is falling down on his job. As a result, people will notice an increase in their bills from the power company—just as they noticed a decrease when the summer days arrived.

The greatest amount of electricity is used during December, when the days are shortest and artificial illumination is used many hours a day.

Statisticians in the electrical industry have figured out the average number of hours a day that artificial light is needed approximately as shown below.

January	6.35
February	5.38
March	4.10
April	3.48
May	2.95
June	2.55
July	2.66
August	4.00
September	4.45
October	4.90
November	6.18
December	6.85

Will Soon Develop Carillon Falls Site

MONTREAL.—It is expected that the National Hydro Electric Company will begin work next spring on the development of the Carillon Falls power site on the Ottawa river, and that power will be available for Ontario and Quebec by the autumn of 1929. The National Hydro Electric is the private corporation which is to be operated jointly by the Quebec power interests and the Ontario Hydro-Electric Power Commission. Legislation regarding the leasing of the Carillon Falls site to the National Hydro Electric is now being prepared and will be presented early in the coming session of the Quebec legislature. Ontario will also have to pass legislation regarding the project. It is understood that the two provinces, Ontario and Quebec, are in agreement with the Federal Government regarding the development of the site, and that both provinces are now free to go ahead with the necessary legislation.

Will Operate Sixteen Buses in Hamilton

The Hamilton Street Railway Co., which is subsidiary of the Dominion Power & Transmission Co., will have sixteen motor buses in operation within eight weeks, says F. P. Healey, secretary of the Hamilton Chamber of Commerce.

The agreement between the street railway and the city, entered into last May, provided that the sixteen buses would be in operation within three years. The preliminary use of a smaller number of buses has been so successful that the company has decided to place all in operation as soon as they can be delivered.

The buses, which are being assembled and partly manufactured in Hamilton, cost $20,000 each.

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3. Name the Canada Permanent as Executor and Trustee.
That places all the experience and all the corporate judgment of this Company at the service of the family. They are assured a permanent executor, a responsible trustee, a regular income.

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Total exports of cattle to Great Britain from Canada in 1926 were 76,654 head, as compared with 110,257 head in 1925, and 82,086 in 1924.

By Reducing Distribution Costs You Can Control Sales Costs

During the past few years distribution costs have been continually rising. This has been to a large extent due to constant rising wage scales. In order to keep your sales costs under control it is of primary importance that you should be able by improved methods to reduce your distribution costs.

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WALKER PURCHASE DOES NOT AFFECT ALCOHOL COMPANY

C. I. D. Has Successfully Met Competition in Past —Business Grows

From Our Own Correspondent.

MONTREAL.—As soon as it became known that the Hiram Walker distillery has been bought by other interests, rumors started, indicating that such a purchase would react to the disadvantage of the Canadian Industrial Alcohol Company.

There is no reason to anticipate that the entry of new interests into the distilling business will create more competition for "Alcohol," for the Hiram Walker Company has not increased its output and probably will not be able to do so for a number of years. Canadian Industrial Alcohol has always met successfully the competition of this and other distilleries, and there is no reason to presume that it will not continue to go on meeting such competition successfully.

Issues Stock Warrants

On January 15, 1927, the company will issue to each shareholder on record at December 31, 1926, a certificate entitling the shareholders to obtain one new share for every five shares presently held.

Fractional shares, of course, will not be issued, and where the number of shares held is not equally divisible by five, a fractional warrant will be issued covering the odd number of shares. These fractional warrants will have to be either bought or sold to bring the number of shares to which the shareholders are entitled to an even number.

A large portion of the earnings of the Canadian Industrial Alcohol Company come from the manufacture and sale of distilled liquors. The industry has shown an amazing growth in this country over the past few years.

Jamaica Public Service Earns 25% on Preferred

From Our Own Correspondent.

MONTREAL.—From the monthly earning reports of the Jamaica Public Service Company it is possible to estimate just about what the figures of the forthcoming annual report for the year ending December 31, 1926, will reveal.

Gross earnings during 1926 will amount to around $650,000, as compared with $625,275 in 1925. After deducting operating expenses, the net for the year will be about $267,000, as compared with $236,114 in the preceding year. After deduction of bond interest, earnings for the year applicable to the preferred shares and to retirement reserve should be about $188,000—a gain of some $32,000 from the 1925 figures.

Before allowance for retirement reserve, the earnings applicable to the preferred shares in 1925 and in 1924 were 20 per cent. In 1926 this will be increased to about 25 per cent.

In increasing both its gross and net earnings during the year, the company is continuing its past record, which presents an almost unbroken record of such increases over the past 19 years.

Hanson's Appoint Manager

MONTREAL.—Hanson Brothers announce that Arthur F. Nation has assumed the duties of sales manager from the commencement of the current year.

Mr. Nation has been associated with the firm since shortly after his discharge from the army and has had an extensive experience in the issuance and placing of investment securities.

Czech Treaty is Bonus to One of Our Chief Foreign Competitors

(Continued from page 1)

Czecho-Slovakia in detail and discloses these facts.

History of Cereal Tariff

When the republic was organized in 1919, a tariff was set up, but the duties on wheat and rye were suspended. These cereals were admitted free. However, as the political institutions started to function, it became clear that the farmers would exert a powerful influence upon fiscal policies. An Agrarian party came into being and joined with the Social Democrats in forming a government. The Agrarians demanded a high tariff on wheat, flour and rye; the Social Democrats, representing industry, fought hard for free food. In 1924 a crisis upon this issue caused the downfall of the government and in the elections which followed, the Agrarians increased their strength. The new parliament could no longer deny their demands and accordingly very high duties on wheat, flour and rye were authorized, to become effective January 1 this year.

Whatever trade Canada had with Czecho-Slovakia in the past was not impeded by tariffs. Hereafter a duty of $2.10 per 220 pounds must be overcome. As for Canada getting the favored nation clause in Czecho-Slovakia's tariff, there is little significance in this. Nearly every large country in the world, except Russia, the United States, and China, is on this footing. Indeed Czecho-Slovakia looks to her neighbor Yugoslavia, and not to Canada, for wheat and flour and has negotiated a special treaty to secure adequate supplies until there is no longer need for imports.

Part of Country's Policy

The high tariff now imposed upon wheat, flour and rye is but part of a general policy. Successive governments have pursued a vigorous land settlement scheme. Large estates have been taken over by the state and divided into small holdings. The results of the policy already are reflected in expanding acreage and yields. Large areas of fertile and uncultivated land await the extension of the policy and it is agreed by all Czecho-Slovakian authorities that under the stimulus of a prohibitory tariff on wheat and flour, the republic will quickly become self sustaining.

42 Per Cent. of People Grow Food

Already 42 per cent. of the people of Czecho-Slovakia are engaged in growing food. The latest edition of the Encyclopedia Brittanica enumerates the chief products of the country as follows: Wheat, rye, barley, oats, hops, potatoes, vegetables and sugar bets. This being so the statement that Czecho-Slovakia is going to buy an additional million barrels of flour from Canada each year admits of but one or two possible conclusions: either that the Czechs are the most colossal bread eaters that the world has seen, or that the gentleman who wrote our government's communique had a most vivid imagination.

There are other things in connection with this agreement with Czecho-Slovakia worth noting. Some of them may be summarized as follows:

1. Within the past five years Czecho-Slovakia has increased her exports of manufactures to Canada by 1,000 per cent.

2. Czecho-Slovakia sells Canada a wide variety of manufactures, while Canada sells Czecho-Slovakia only about half a dozen articles.

3. Czecho-Slovakia is one of the few countries in the world with which Canada has an adverse balance of trade.

Imports Goods We Also Make

Czecho-Slovakia's trade with Canada is not very great. It is, however, increasing rapidly, and, what is more important to the Canadian manufacturer, it is growing in connection with goods that are made in Canada. Take, as an example, worsteds and serges. In 1924 the imports of these goods from Czecho-Slovakia were $14.339; in 1925 they were $72,156; in 1926 $170,777. And so in woolen goods. In 1921 total imports were $1,765. In 1926 they had grown to $116,645.

Canada, as already stated, has an adverse balance of trade with Czecho-Slovakia. The figures for the past six years are very interesting. Thus:

Year	Imports	Exports	Total
1921	$ 98.187	$ 3 693	$ 101.880
1922	351,924	26 046	377.970
1923	694.447	79,018	773.465
1924	769,647	94,964	864.611
1925	954,380	123,121	1,077.501
1926	1.272.045	132,114	1.404.159

Thus, in five years, our purchases from Czecho-Slovakia have grown by $1,173,858 a year, our sales to her by but $128,421 a year.

What They Sell to Us

A striking feature of Czech sales to Canada is that they almost entirely comprise goods manufactured in this country. Here is a detailed list taken from government blue books:

Imports	1925	1926
Hops	$ 21,546	nil
Leather gloves	5,674	$ 1.866
Cotton yarn, dyed ...	27,489	26.721
Silk fabrics	5,051	15.100
Worsted and serges ..	72,156	170.777
Felt	22,376	49.520
Cassameres	nil	30.028
Felt hats	20,313	35.177
Furniture	20,377	27.286
China tableware	99.491	141.213
Cream separators	10,976	nil
Glassware	33,310	47.876
Lamp chimneys	10,069	14,097
Window glass	36,061	51,561
Articles of glass	21,873	28,090
Containers	21,911	25,746
Buttons	27,394	46,448
Jewellery	172,197	81.776

In addition to the foregoing, Czecho-Slovakia sells Canada printed cotton fabric, linen, flannels, tweeds, artificial silk, pen knives, toys, lead pencils, imitation precious stones, purses and satchels, bead ornaments, electric light fixtures, clocks and watches, yarns and twines, bagpipes and other musical instruments and agate ironware. In practically every line her sales are increasing.

The story of Canada's exports to Czecho-Slovakia, excepting flour, is much more easily told. Thus:

	1925	1926
Rubber tires	$ 4,033	$26.203
Rags (in raw)	52,230	48,125
Adding machines	30,845	19,365
Settlers effects	2,520	not given

Thus, two out of three items show a decline; while settlers effects are goods and chattels taken out of Canada by persons returning to Czecho-Slovakia.

Helping Out Formidable Competition

To sum up, it would appear, so far as information is available, that in return for a very dubious market for Canadian flour (if, indeed, there be any market at all) Canada has given concessions to a country which is highly industrialized (the Statesman's Year Book shows that Czecho-Slovakia has 9,000 industries), which has been steadily invading the Canadian market, and which, because of its low wages and depreciated currency, is a formidable competitor for Canadian manufacturers.

No one would accuse Hon. J. A. Robb of knowingly making a treaty harmful to Canadian interests. Canadian governments, however have been known to make such treaties (the pacts with France and Italy have been of debatable advantage) and the more one looks into this agreement with Czecho-Slovakia the more one concludes that the best thing about it is that it may be terminated at the end of 15 months. And there is some satisfaction in knowing that Robb is a man who would terminate it if it did not help Canada.

EXPLAINS DISCREPANCIES

Hardware and Metal this week reports receipt of a letter from the assistant commissioner of tariff at Ottawa, who explains that since April 23 last, a check has been made upon actual destination of flour exports through Hamburg. He says:

"From April 23 to the end of October last, these certificates show that Canada exported 465,764 barrels of flour, the ultimate destination of which was Czecho-Slovakia. This, you will see, is at the rate of about 931,000 barrels per year.

"During this period, however, there was a great deal of uncertainty regarding the tariff status of Canadian flour entering Czecho-Slovakia. Towards the end of May, Czecho-Slovakia announced that, beginning July 1st, Canadian flour would be subjected to a higher rate of duty than most-favored-nation flour. Later, the date of the coming into effect of this higher duty was postponed to the 1st of August, and then to the 14th of August. As a consequence, exports of flour to Czecho-Slovakia fell off materially, amounting in July to only about one-third of the June exports, whilst in August they fell off to 10,512 barrels. As the higher rates of duty were actually put into effect against Canadian flour from August 14 to September 6, the exports during September were also very much smaller than would otherwise have been the case. So that, taking all these factors into consideration, it is not unlikely that the large milling companies, who have their men on the ground, are not far out when they say that our flour exports to Czecho-Slovakia approach a million and a half barrels a year. If you take the value of a barrel of flour at $7, the value of these exports would be in the neighborhood of $10,000.000."

Hardware and Metal asks:

"If the government knew that 467,764 barrels of flour had been shipped to Czecho-Slovakia in the period from April until October, why does it quote a figure of 9,268 barrels in the government blue book issued in October and covering trade from April to October?

CHEAPER THAN DRILLING

Electrical prospecting is fairly new, and is still a cheaper method of preliminary work than diamond drilling, though results are not so conclusive. One correspondent says that the charge for Lundberg machine is $200 per day, plus expenses. The total cost depends to a large extent upon the size of the property. The cost may reasonably range from $2,000 to $10,000.

Dominion insurance licenses have been issued to the Northern Assurance Company to write steam boiler insurance, and to the World Marine and General Insurance Company, to write steam boiler insurance.

Hudson's Bay Co. Issues New Shares

Half a million new ordinary shares of the Hudson's Bay Co., of the value of one pound each, which were created in January, 1926, but not then issued, will be issued to shareholders of record Jan. 7 in London, in proportion of one new share to every three old shares, priced at £4 10s. per share, the company announces to-day.

The half-million new ordinary shares are the remainder of the Hudson's Bay Co.'s issue of a million ordinary £1 shares, created one year ago. Half this block was issued to stockholders at that time. The issue raised the company's capital to two million sterling.

The shares command a price of more than £5 on the London stock exchange this month. The stipulation means that stockholders will be entitled to subscribe for one new share for every three shares now held.

It is assumed that the additional capital is to be used to finance the new retail stores which are being established in Canada.

Customers buying 'Peg

The two customer-ownership campaigns of the Winnipeg Electric Co. have resulted in 14,222 shares being acquired by 3,502 persons. The campaign recently closed sold 11,377 shares for $1,137,700 (par value) to 2,222 persons. The earlier campaign, in March, 1925, sold 2,845 shares to 1,280 persons.

THE NATION'S BUSINESS

(Continued from page 1)

Canadians or reading them a lecture on their failure to assume their proportionate share of Imperial defence. He was expressing his views on the things that should be done to strengthen the bonds of Empire for our mutual advantage. Defence is a vital question in connection with the Empire. We may agree or disagree with the views expressed by Mr. Bruce, but we should be grateful to him for giving his opinion in such a frank, straightforward manner.

It is apparent that in Bruce we have the greatest Imperialist since Disraeli. He is no longer regarded as an Australian. Having captured Canada he has become an Empire leader. There are many who think his place is in London, at the helm of the ship of Empire.

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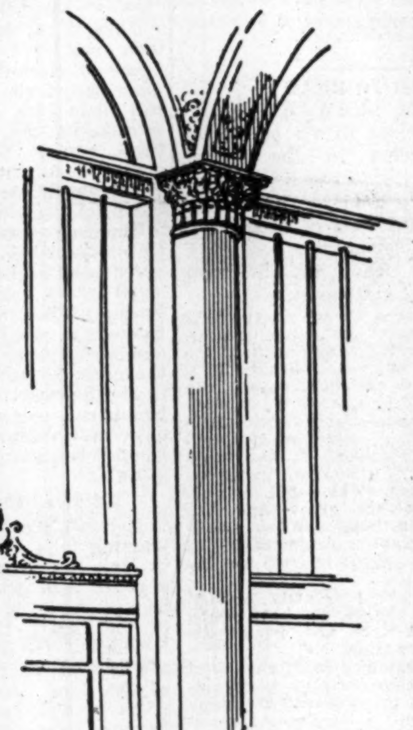

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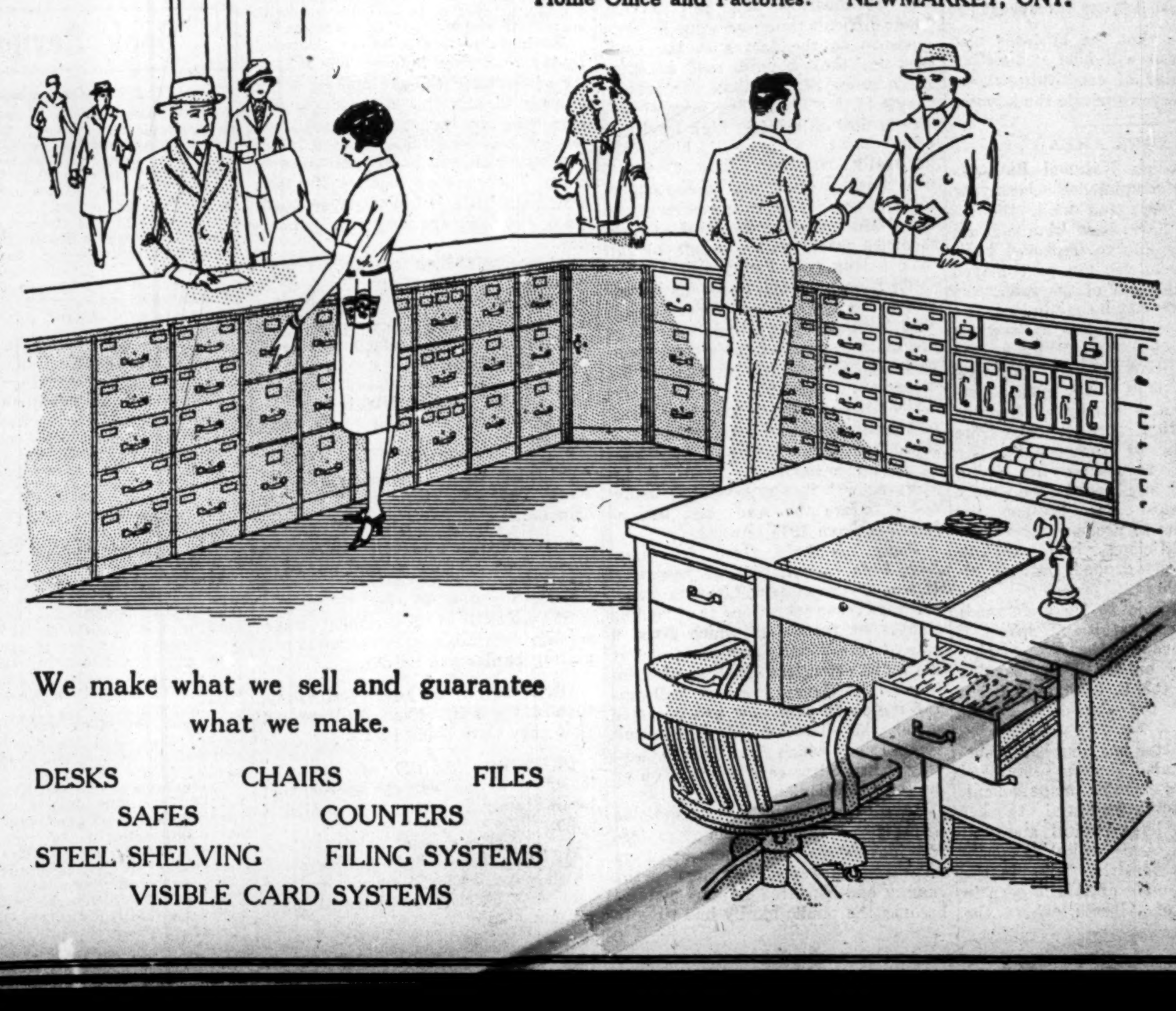

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TORONTO, JANUARY 7, 1927

ECONOMICS OF EMPIRE

WHEN four of the great chemical companies of the British Empire joined together in a gigantic trust, it was an event of more than stock market significance. It was a definite recognition that the solidarity of the British Empire rests upon its economic unity rather than upon any "formula" of constitutional significance.

The four companies that joined to establish the Imperial Chemical Industries, Limited, were Brunner, Mond and Co.; Nobel Industries; United Alkali Company, and British Dyestuffs Corporation. At least three of these have Canadian plants or subsidiary corporations. They represent exceedingly large and important investments in two rapidly growing industries, the manufacture of dyestuffs and the manufacture of chemicals.

The directors of these companies did not attempt to fuse their interests into one, without a fixed purpose and a deliberate hope of increasing their individual prosperity. Chiefly, they had in mind establishing a British industry that could compete with any similar group of industries in any nation; an industry that could develop the entire British Empire as a market as well as a manufactory.

The chairman of the new company is Sir Alfred Mond, Bart., British privy councillor and member of parliament, whom we have heard in Canada within the past few months, delivering messages of clarity and force on the subject of the economic unity of the British Empire. There is good reason to believe that it was the hand of Mond that penned one suggestive paragraph in the prospectus of the company. This paragraph stated:

"The company has, of deliberate purpose, been given the title of 'Imperial Chemical Industries, Limited.' The British Empire is the greatest single economic unit in the world, one in which every patriotic member of the great British Commonwealth has a personal interest. By linking the title of the new company to that unit, it is intended to lay emphasis upon the fact that the promotion of Imperial trading interests will command the special consideration and thought of those who will be responsible for directing this new company. The participating companies already enjoy a world-wide trade; their merchanting and manufacturing operations, therefore extend throughout the British Dominions overseas; and it will be the avowed intention of the new company, without limiting their activities in foreign overseas markets, specially to extend the development and importance of the chemical industry throughout the empire."

It may be that the business men of the Empire will hold it together while formulae of constitutional experts only serve to puzzle the layman.

DANGER AHEAD

THE Canadian National Railways have just completed the best year in their history; and while the results which have been obtained are in a measure due to improved business conditions, yet the part played by the management of the road, personally, should not be minimized.

And while the country as a whole is congratulating itself upon the bettered position of its railways, there is one point about such a betterment which is worthy of thoughtful consideration. Already, cries from various parts of the country for freight rate reductions are being heard. They are heard the more clearly because our present democracy seems to produce not statesmen, but politicians whose ears are not close to the ground, but are always glued there.

If heed be paid to these demands for lower rates, the ultimate effect of such action cannot be over-emphasized, for not only will the earning power of the C.N.R. be impaired, but also that of the Canadian Pacific Railway.

True, the latter has also had a successful year, also due to improved conditions and capable management, but Canada, to forge ahead to her destiny, must have capital and still more capital. And capital is probably the most sensitive thing in the world. An example of this is seen in the province of Alberta, where the rights of the mortgagor have been interfered with by provincial legislation, and where, to-day, to bring back the flow of capital for mortgage purposes the government is being asked to repeal most of its obnoxious legislation.

If, perchance, in the future the federal government makes unwise freight rate reductions—going over the heads of the Railway Board to do so—simply to satisfy clamor in one or two parts of the Dominion, and foreign capital obtains the idea, rightly or wrongly, that the Canadian Pacific Railway is harrassed by unfair legislation, the general effect on the Dominion at large would be disastrous.

The Canadian Pacific Railway is the best investment advertisement which the Dominion has. To ensure the further growth of the country, it is essential that capital be invested here; it is a certainty that capital will not flow to Canada unless both railroads receive fair treatment in the matter of rates. Too liberal treatment of our railways would be unwise, but too niggardly treatment would bring disaster.

If our politicians are going to tinker with rail rates instead of leaving the fixing of rates to the Railway Board, such reductions must be made a charge on the federal government, and not on the railways. In this fashion, it will be possible to ascertain exactly what certain sectional demands cost the Dominion annually, and at the same time to ensure, not the dividends of the C.P.R., but a steady and increasing flow of capital to the Dominion, a flow without which there can be no progress.

READY TO INVEST HERE

IS CANADA a safe country to invest in? American life insurance companies think so. They own $261,000,000 of Canadian government bonds and have over $350,000,000 invested in the country in all. They increased their investments in Canada by $32,000,000 in one year, 1925.

Of course, many of these companies do business in Canada and are required by law and convenience, as well as by expediency, to invest their Canadian reserves largely in this country. Yet the investments of American life insurance companies in Canada are practically double their legal reserves against Canadian business. The percentage of investments to reserves against Canadian business was 184.9 per cent. at the end of 1925 as against 119.7 per cent. for their business as a whole.

MARY USES TROLLEYS

Mary had a little car,
  She drove to see the show,
And every time she tried to park,
  The copper made her go.
And every time she tried to go
  The traffic made her stop—
She reached the theatre just in time
  To see the curtain drop.
Now Mary has a little car
  That stays within a shed,
And Mary goes to shops and shows
  In trolley cars instead.

THIS doggerel brings an economic fact forcefully to mind. The lesson is so obvious that traction companies are beginning to feel encouraged after some very lean years and the investing public is beginning once more to be watchful of possibilities of profit in traction stocks and bonds. Holders of old stocks and bonds who for a decade too often have had occasion to think of their holdings as next to worthless are beginning to hope that, after all, better times are ahead.

Congestion of motor-vehicle traffic in large cities is not the only reason that traction companies are looking ahead to better times. There are two other good reasons for predictions of improvement.

Street railways, and other utilities, buy commodities and sell service. Their difficult times were due in large measure to the fact that the commodities they bought rose in price much more rapidly than the service they sold. But the selling price of service is now on a fairly high level and commodities, while still high, are gradually receding. The foremost economists, having studied the experience of nations following other great wars, are sure that the level of commodities prices will continue to fall over a long period of years.

Traction companies also have reason to be encouraged from the fact that laws governing their operations are much more reasonable than formerly. Until recently most traction companies were bound by franchises which fixed a rate of fare regardless of conditions and of total investment. Several decades ago this fare was adequate for a handsome return to investors. But it was becoming inadequate before the war and became hopeless from 1915 onward.

Many of those fixed franchises have been revised through necessity. It was a case either of having street railways cease operations or of voiding clauses of franchises which fixed a rate of fare, usually five cents—never more and often less. Instead of these impossible clauses, street railways for the most part now are operated under the direction of government commissions which fix a fare supposedly sufficient to earn a return on an agreed valuation.

This evolution in the supervision of the revenues of traction companies was inevitable even if there had been no war. The war merely hurried the change and rendered it more painful because the public hardly had time to digest the facts which made the change necessary. Fortunately in every centre served by street-railway companies there is evident a more enlightened public opinion which now acquiesces in higher fares. And traction companies which are reasonably well-managed are finding a return of the public goodwill which was dissipated because politicians sought to advantage themselves when the companies first began to seek relief.

The more tolerant attitude on the part of the public is perhaps the primary reason why traction companies can look ahead to better times.

WISELY INVESTED

CANADA owes a debt of gratitude to George Kidd, president of the British Columbia Electric Railway Company for speaking plainly on the subject of British investment failures in Canada. At the annual meeting of his company in London, England, Mr. Kidd said:

"No doubt some of our stockholders have heard adverse criticisms of Canada as a field for investment due to the fact that unfortunately some undertakings which have raised their capital here for investment in Canada have failed or have proved only partially successful. Should any of you feel at all anxious with regard to our own or any other Canadian securities, I suggest that if inquiry were made into the reasons for these failures it would frequently be found that insufficient investigation in the first place, or an unreasonably inflated capital, or mismanagement, or possibly all three, were generally responsible for the trouble.

"I think a rebuttal of any such criticisms in a general sense can be found in the history of our company, which has now carried on business in Canada for 30 years, during which time we have had innumerable dealings with governments, municipalities, and other public bodies whose respect and confidence I believe we have earned, as they certainly have ours, and to-day we are one of the most prosperous of Anglo-Canadian enterprises.

Mr. Kidd may well speak of the success of his company, which gives superior service to 375,000 people on Canada's Pacific coast and does it with profit to itself as well as to the satisfaction of its consumers. British Columbia Electric Railway Company is one of the finest examples of successful British investment in Canada. It is successful because its pioneers invested in Canada on sound lines, avoiding the three dangers that Mr. Kidd mentioned. The builders of the company did not try to make money in Canada by using less common sense than they would have devoted to the creation and management of an enterprise at home.

TIME TO READ

CHARLES M. SCHWAB is generally recognized as one of the big industrial leaders in the United States.

He has made a name for himself in the important field of production, finance and salesmanship.

He recently made the following very significant statement:

"I do not believe we could ever have reached our present standards of prosperity in the United States without the development of business journalism. It has established a clearing house of information that keeps workers, employers and the general public in intimate touch with what is going on and with what is being planned. It has taken the mystery out of pioneering industrial work, enabling the workers and the public to share in the great American romance of doing things. When a railroad or a new plant is projected to-day everybody knows about it from the beginning.

You cannot have prosperity without confidence, and you cannot have confidence without a free and honest exchange of information.

"We're so accustomed to this point of view nowadays that some of us are inclined to take it for granted. We think of it as a condition that came about more or less accidentally, and without special effort by anybody except the direct builders of business. The truth is that we had to be taught from the outside that suspicion and distrust of one another breed bad times, and that the way to prosperity is through goodwill, mutual helpfulness and co-operation."

Business men are better educated to-day than ever before. The majority of the men who are making a big success in any line of business are men who are depending greatly on the printed word for ideas and information which will be of assistance to them. There are a few successful men who read little but newspaper headlines, but they are very few in number.

A successful man is usually a good organizer and one of the things he is very careful to do is to organize his own time so that he can read those publications which he feels will be of direct benefit to him.

EDITORIAL NOTES

ONLY 300 shopping days until Christmas.

* * *

ALL IN ALL, it should be a happy New Year all through 1927 for Canada.

* * *

THE TROPICAL fruit grown in a Nova Scotia home proved to be a lemon.

* * *

SPEAKING of government interference with business, rum-running is getting harder and harder.

* * *

ONLY two of the Seven Sutherland Sisters are still alive. And we bet even they have bobbed hair.

* * *

PREMIER BRUCE of Australia indicated in his Toronto speech that he is familiar with the Australian idiom.

* * *

QUEBEC'S new town is "Mercier," which pays deserved tribute to that province's excellent minister of lands and forests.

"Pat" Thomson Sold Pickles for Gods

Partner of Nesbitt Thomson & Co. Started Business Career in Hamilton and Later His Work Carried Him Into Many Foreign Fields — Recent Partnership Dates Back Many Years

By RIELLE THOMSON.

In the early nineties, the Heinz Pickle Company maintained what today would be called a hand-to-mouth selling policy; it sold only to wholesalers and retailers in small lots so that the quality of its products might not deteriorate; thus, also, the company's credit risks were reduced and its bills promptly met.

About 1891, this organization had in its employ a young Canadian who was sent to Australia to take charge of sales in that territory. On arriving at Melbourne, the Canadian wandered into the largest retail firm in the city and sold an extremely large order which included the whole of the 57 varieties. Naturally, the early and successful closing of this large order pleased him.

However, when the order reached the home office of the Heinz Pickle Company at Pittsburgh, the sales manager promptly sent a cable telling his Australian representative not to turn in such large orders as it was against the policy of the firm and that the merchant's turnover would be too slow. The cable reached the young salesman just as he was quietly seated at breakfast on a fine Monday morning. He read it. Then promptly hied forth and hired a team of horses and a wagon. Then he drove to the store which had placed the large order and immediately loaded all the pickles which he had sold to the customer into his wagon—and it was not a small wagon either.

P. A. THOMSON.

Drive in Wagon

At 10 o'clock in the morning, our salesman leapt into the driver's seat, gathered up the reins and drove from the door with his wares. By 6 o'clock in the evening he had sold the whole wagon load.

The next step in the programme of revenge was the drive back to the retailer where he exhibited his empty wagon—the result of the day's activities. Naturally, the retailer immediately placed an even larger order for pickles. This the salesman, in high glee, immediately cabled to his chief in the United States.

Thus, if there be any bond salesman employed by the investment house of Nesbitt, Thomson and Company, who feels perhaps that the boss has little idea of the difficulties of selling, he can, to use a vulgarism, think again. The Australian representative of the Heinz Pickle Company was P. A. Thomson, of the investment house which bears his name.

Thomson was born in Hamilton, Ontario, in 1877. The archives do not reveal why he has always been known as "Pat"—a name which is ill suited to one of Scottish descent and which bears no relation to his Christian name of Peter. At any rate, that is the name by which he is known best in the financial district and which he had borne ever since his high school days in Hamilton. And we may assume it has some relation to his three initials.

Started Customs Broking

Thomson obtained his first business training in a customs broker's office in Hamilton, where he remained for a year; then, for two or three years he was employed at the market branch of the Lawry Packing Company, of Hamilton. He did well and was finally placed in charge of that branch of the firm. As a youngster of 20 years of age, he had the hiring and firing of over twenty men. Here, also, for three days a week, he was accustomed to arise at five in the morning and be on the job at six o'clock, staying until ten or eleven o'clock at night. This, of course, was only on market days—other days were less strenuous but nevertheless, he was always at the office before eight in the morning and always worked more than seventy hours a week.

Then he went to the F. W. Fearman Company, pork packers, of Hamilton, for whom he travelled in the Maritime provinces for a number of years. Later, the sales manager of the Heinz Pickle Company offered him a job selling for that firm in the Maritimes.

Met Nesbitt 25 Years Ago

It was here, in 1901, that he first met A. J. Nesbitt and the foundations of the present investment house were laid. Both A. J. Nesbitt and P. A. Thomson spent many a long, weary day driving around the country, Thomson selling pickles and Nesbitt selling dry goods.

In 1903, Thomson was sent abroad by his employers, representing them in Australia, New Zealand, India and China. He travelled for this firm in the East eight years in all, during which time he spent about two weeks at home every two years. During this period he also kept in constant touch with his present partner.

Those who know Thomson's activities in selling pickles to the heathen in the East tell some interesting stories of those days. For instance, in front of the joss houses in China there are always offerings of food left for the gods. To-day, one often sees Heinz tomato catsup left as food for the gods—or for the priests. It has not been possible to obtain definite confirmation that it was P. A. Thomson who first began selling pickles and catsup as food for the gods, nevertheless, the fact remains that only after his arrival in China were pickles and catsup first used in this manner.

Into the Never-Never Land

There are stories, too, which indicate the difficulties of selling pickles abroad, which are interesting. Thomson was traveling once in what is known as the "Never-never" land of Australia. In this section of that continent, the only things which can live are apparently sheep, and only about one of these to the acre. Thomson arrived at an up-country settlement in this part of the country, and going to the hotel found that it was operated by an old man and his three daughters. One daughter served in the bar, one in the dining room, and the third did the cooking.

Sitting down to dinner, Thomson called for pickles. The daughter of the house looked somewhat surprised at his order and immediately rushed out to her two sisters, saying in loud, clear, confident tones: "There's a gent in there who's askin' for pickles; blimey, he thinks its Christmas!"

All of which indicates that the selling of pickles in Australia was not perhaps as easy a job as the first part of this story intimated.

Has One Bad Vice

But to get on with the story. About 1910, A. J. Nesbitt, who was in the investment business in Montreal, persuaded Thomson to leave the Heinz company and to join him in the investment business. Thomson then went to England to open an office in London, where he remained for two years and carried out some negotiations. In 1912, the house of Nesbitt, Thomson was formed and Thomson opened the Hamilton office for the company.

Later, as the business grew, Thomson moved to the Montreal office where to-day he fulfils many functions as vice-president and managing-director. Mr. Thomson is a director of Goodyear Tire and Rubber Company and is a director also of most of the power companies in which his firm is interested.

Thomson's recreations are of the usual sort; he shoots, plays golf, and rides occasionally. But it is not well always to stress the virtues of a man. Not that it would lead to self-conceit, but because it misleads the public. Thomson has one vice which he cannot eradicate—the reading of detective stories.

According to the Board of Trade census, Lethbridge has a population of 11,942, whereas the federal census in June last showed a tally of 10,876.

Book Reviews

The Canadian Almanac

The Canadian Almanac again appears, as valuable as always. This is the eightieth consecutive year of publication of the Canadian Almanac. It is an authoritative directory and reference book of Canadian affairs and again will be largely used not only in business and professional offices throughout the Dominion, but also in the departmental offices of the Dominion and provincial governments.

The Almanac has grown to a volume of about 575 pages, and this latest edition contains a colored map of the Dominion.

Published by Copp-Clark Company, Toronto. Price $3.50.

Canada and the Twentieth Century

The volume which the Royal Bank of Canada has prepared on Canada reflects great credit on its editors, and presents a complete review of the business situation in the Dominion. The book is well illustrated and much of the material has never before appeared in print. It was prepared by Donald M. Marvin, economist of the bank, together with J. Edwin Van Buskirk.

Separate chapters present comprehensive reviews of the various basic industries in the Dominion. The banks and banking system, the tourist traffic, the transportation and ports are also dealt with, and special chapters deal with the British Empire preference, tariff agreements with the British West Indies and tariff agreements with foreign countries. The book concludes with chapters on Canada as a field for investment, Government and finance, and appendices containing useful statistics.

The volume is one which will undoubtedly fill a useful place in many a business man's library, and one which will be enthusiastically received by those abroad who desire complete and comprehensive information on the Dominion.

It can be obtained upon application from the bank, although, we understand, primarily intended for distribution abroad.

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Valuation of Securities

The new year is, of all periods, one of the most opportune times for carefully examining any investments already held.

The valuation of such securities at frequent intervals is one essential which many investors have found to be of very first importance. It may enable the investor to take advantage of a favorable market for the sale of some securities. It may reveal the fact that some securities should be sold as a protection. Early maturing securities can often be exchanged to good advantage.

We shall be glad to make valuations for any holder of securities without obligation, or to make suggestions as to the betterment of holdings.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

N.S. Tramways

I understand that the Nova Scotia Tramways and Power Company is doing better. Do you think I would be well advised to hang on to my preferred stock?

The information which we have indicates also that the Nova Scotia Tramways and Power, over the past year or two, is gradually strengthening its position. As far as we can see, too, this progress will be maintained and therefore we, too should advise you to hold the preferred, that is, if you can afford to do so.

Canadian Terminals

Would you let me have your opinion of the Toronto Harbor Terminal 7 per cent. bonds as an investment for a young man with about $2,000 saved. He has been approached to buy, but could not give me any information about the company.

We would consider that the 7 per cent. bonds in the Canadian Rail and Harbor Terminals, which are not a first mortgage on the property, are nevertheless a reasonably safe investment for a person desiring fairly high yield. Commitments in this issue should not be very large for a person with a capital of only $2,000, and it might be best to purchase the first mortgage bonds or similar first mortgage bonds until the investment capital has grown to a larger amount.

Brazilian Traction

In view of the proposed merger with other companies, would you advise my selling what Brazilian common I own at once and at market?

If a majority of the common shareholders vote to go in the merger, will the balance of shareholders have to accept?

Capt. Lowenstein, the Belgian financier, is a highly speculative element in Brazilian at present. Advice as to whether or not to hang on to Brazilian common depends on whether the holder of the stock is in a position to speculate somewhat on the activity of the Hydro Electric Securities Corp. over a term of years, it would appear. In view of the capital relations of Brazilian with the other companies who come into the merger, it would seem that the stock of Brazilian must recede in value.

The minority stockholders in any company are not very well situated to combat any move determined upon by the majority. It is not known definitely as yet if the Lowenstein interests control Brazilian. There is one instance of minority stockholders getting an important court decision in their own favor, but litigation is something the conservative investor, like most other people, is well advised to avoid. Brazilian stockholders who are not in a position to know exactly what is going on inside—and very few appear to know that—may advisedly get out of the stock at the market price, especially if the market price yields them a profit.

Cuban Canadian

I hold some common and some preferred shares of the Cuban-Canadian Sugar Company. This stock is in such a bad position that I can hardly conceive of it becoming any worse. Therefore, I am going to hang on to it in hopes that some improvement may materialize. Is this wise?

The Cuban Canadian Sugar Company is in exactly the same position as every other producer of raw sugar, for it has been affected by the world-over-production of sugar. For the past year or two, sugar has been sold at below the cost of production. Such a condition of over-production is bound to right itself in the end. It may be soon, or it may be later—but it must eventually take place, and when it does do so you will obtain materially better prices for your holdings. We believe, as you do, that the stock is therefore a hold.

Besco Preferred

What is the outlook for the second preferred shares of the British Empire Steel Corporation? Are there any rays of light in the dark clouds surrounding this stock?

The British Empire Steel Corporation still controls the Dominion Coal Company and as this property can always pay its way we believe that Besco will always have this asset. Also, it owns the Halifax Shipyards; the latter has no bonds outstanding. For the future, therefore, we would say that its shares could hardly go much lower. However, reorganization plans are being formulated whereby all the holders of securities of Besco and its constituent companies will have their holdings materially and drastically scaled down. The situation with regard to the corporation and its subsidiaries is so complicated that it is absolutely impossible to give you any real indication of the outlook for the second preferred shareholders.

Belgo Preferred

I have bought myself some Belgo preferred. Am I wise?

The preferred shares of the Belgo-Canadian Paper Company look to us as satisfactory a preferred newsprint stock as it is possible to buy at the present time. Through ownership of most of the common stock, the company is controlled by the St. Maurice Valley Corporation. Thus, you will see that the preferred dividends of Belgo are an underlying obligation of the bigger holding company. There is the possibility of some surplus newsprint production next year, but for those who desire a satisfactory yield on their investments, the preferred of Belgo-Canadian looks both safe and satisfactory to us. If the newsprint surplus materializes in 1927 you might be able to buy the stock at a point or two lower—but this should not matter to you if you are buying for a long hold and for a satisfactory yield.

Quebec Pulp

Will you be so kind as to let me know the present quotations for the preferred and common shares of the Quebec Pulp and Paper Mills? Is there any possibility of the company declaring a preferred dividend in the near future?

There are no present quotations for the common or preferred shares of the Quebec Pulp and Paper Mills. If you handed your stock to a broker he might eventually pick up some stray bid for the stock. But we believe that any bid which you would obtain at the present time would be far below the equity behind these securities.

It is doubtful also whether you would be able to obtain any bid whatsoever. It is possible that over the next few years the company may strengthen its position materially. Therefore we would suggest that you hold your stock until a better market obtains for these securities.

As far as we can learn, there is no possibility of dividends—at least for some time.

Laurentide or Bridge

Should I sell my Laurentide and buy Dominion Bridge? Answer as soon as possible, please, as I am anxious to know your opinion on this.

You asked a question which neither we—nor anyone else—can answer. We can tell you, however, the facts surrounding both these stocks, and you, in your turn, can judge whether it would be advisable to switch your holdings or whether to retain part of your Laurentide and buy some "Bridge" or whether to hang on to your Laurentide stock.

There is a possibility that there will be some surplus newsprint on the market in 1927. If this be so, the shares of all the newsprint companies will decline. On the other hand, if Laurentide enters a merger, no doubt you would obtain a better price for it. As you know, Laurentide is a strong company and occupies a strategic position in the St. Maurice Valley. No doubt it has been approached in the past with a view to mergers, and no doubt it will again be approached in the future.

At present prices, we would say that the shares of the Dominion Bridge Company are speculative—but, nevertheless, they are a speculation which is attractive if you are willing to hold the stock over a year or a year and a half. It is said that the company has enough work on hand to keep it occupied for over two years. Thus, in a year and a half's time, the shares may be selling at considerably higher levels.

Two Power Stocks

Kindly advise me regarding the purchase of the common shares of the Canada Northern Power Corporation and the St. Maurice Power Company.

The common stock of the Canada Northern Power Corporation is speculative and we believe would prove a suitable purchase for a business man who is willing to purchase the stock outright and put it aside for several years. We believe that the earnings of the company will probably show a decided growth over the next few years for this company and its subsidiaries serve the growing mining areas of Northern Ontario and Northern Quebec. The stock is speculative and it is also a long hold proposition.

The St. Maurice Power Company is one of the largest subsidiaries of the Shawinigan Water and Power Company.

Last year, the company earned only $11,356 on its $7,200,000 of common stock outstanding. The purchase of this stock would be another long hold proposition which eventually would probably make a satisfactory profit for you.

The record of the power companies has been so successful that as a consequence the shares of both these power companies are selling at a price which discounts to no inconsiderable extent the possibilities of the future. You might be able to purchase both stocks at lower levels than those which prevail at present. On the other hand, you might not. We believe that you would only be wise in purchasing these shares provided you can hold on to them for four or five years.

National Breweries

I should be glad to have an expression of your opinion regarding the common shares of the National Breweries. I purchased some of the stock at 60. Have you any information regarding the earnings during 1926?

Our opinion of the common stock of the National Breweries is that the shares are a suitable hold for a business man.

We have no information indicating how much the company earned on its common stock in 1926. We believe that the earnings will be sufficient to meet the dividend requirements but we believe that for the 1926 year you need not expect a particularly fine profit and loss account, for you will recall that in order to bring to an end the beer war which prevailed in Montreal in 1925, the company acquired the control of the Frontenac Brewery. Doubtless, National Breweries had to pay a good price for this acquisition and therefore, we do not anticipate any particularly brilliant showing for the year now ending.

However, as far as can be seen at the present time, the future seems to hold better things for this company. Some time ago it completed extensive additions to the property which should assist in reducing costs, and recently the province of Ontario decided to allow the sale of beer within the provincial borders. Coupled with this is the fact that breweries, broadly speaking, have usually done fairly well over a term of years.

We believe that the year 1927 should bring materially increased profits to the company. If there is a general market reaction during the first few months of that year, no doubt the stock of National Breweries would also decline.

Brandram Henderson

A client of mine owns sixty-odd shares of Brandram-Henderson common. A dividend was paid until 1924, but it was then discontinued. Enquiry brings bids of $15 to $16 a share. Would you be good enough to give me what information you can regarding the probable value of the stock and also regarding the possibility of further common dividends?

We do not quite understand your inquiry regarding the "probable value" of the common shares of Brandram-Henderson. The value of the stock, in one sense, is exactly what you can obtain for it.

As far as we have been able to gather, there seems little probability of a renewal of dividends, at least for some time.

Last year, the company's net earnings, after all charges, amounted to $12,571, but it paid out in preferred dividends $35,000. Thus, you will see that the preferred dividends were not earned. In 1925 and 1924, there were no earnings available or applicable to the common dividend requirements; indeed, in 1924, the net profits for the year amounted to only $1,354. In 1923, the company only earned 2.5 per cent. on its common stock.

The company maintains itself in a satisfactory working capital position, and we understand that earnings during the 1926 year will be in excess of 1925.

From the earnings of the company over the last three years, it seems to us that you cannot expect much immediate market appreciation in the securities. If the Dominion as a whole experiences several more years of good business conditions, no doubt Brandram-Henderson will again be able to bring its earnings up to levels which prevailed formerly.

What are Your Investments Worth Today?

Individual investors, like large institutions, should have their securities appraised periodically. Business and market conditions change continually, and cause fluctuations in investment values.

The commencement of a new year is a proper time to have one's investments analysed by Royal Securities Corporation. Our facilities for obtaining accurate information and submitting reliable advice on securities of all descriptions are unusually complete.

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1927 Promises to be Big Year for Business All Over Dominion

Year Just Closed Brought Increased Sales to Most Lines

STATISTICS INSPIRE

Business Research Expert Explains How Canadians Will Gain Prosperity in New Year

By VAL FISHER.

> **Forecasts 1927 Record for Magazine Staff**
>
> Val Fisher, whose optimistic forecast of good business in 1927 is backed up by statistical information of undoubted authority, is head of the Canadian Business Research Bureau in Toronto.
>
> The article herewith is part of an address delivered by Mr. Fisher to the annual sales conference of Maclean's Magazine.

At the beginning of a new year it would seem good business to take stock of our market and learn how we stand. To my mind this stock taking is a more important matter in Canada than any other country, for the simple reason that Canada is growing so much more rapidly than any other nation is growing to-day, or has grown in the past, that the records of one year fall far behind accomplishments of the next.

Let us for a moment look at Canada through foreign eyes. On Armistice Day last month, the National Foreign Trade Council, in New York, took stock of the trading of nations since 1913, and showed that Canada had increased her trade in that period by 85 per cent. as compared with 45 per cent. for Australasia, the next on the list, and 31 per cent. for the United States, third on the list. You will remember that, a few months ago, the National Bureau of Research, also of New York, issued the result of an investigation of 17 years trading, which showed that Canada led all countries in the periods of prosperity as compared with periods of depression. Quite recently the League of Nations issued, from their international headquarters in Geneva, the following estimate of per capita wealth of the three wealthiest nations in 1925. The figures are: United States $2,918, Great Britain $2,459, Canada $2,406. The interesting point in this case is that in 1903 Canada's per capita wealth stood at $1,100, the Dominion's wealth is increasing at a rate never approached by any other country.

At Beginning of New Era

In his report this month, an American economist says, "We believe that Canada, as a whole, is beginning a period of great development." Last month, Sir Percival Phillips, an English economist, after a tour of the Dominion said, "There is every reason to believe that Canada is at the beginning of the most prosperous era in her history." H. T. Hunter, the vice-president of The Financial Post, has recently focussed public attention on the wisdom of Canada being advertised abroad. Here, then, we have some specimens of wonderful copy available, and I think Mr. Hunter would agree that it would not do Canada any harm to advertise at home as well as abroad.

In 1925 Canada had the highest per capita favorable trade balance of any nation. In the fiscal year 1926 she had not only the largest per capita favorable balance but the largest aggregate total. With less than one-twelfth of the population of the great country to the south of us, Canada does one-fourth as much trade.

Country Unusually Prosperous

Even the "croakers" in this country are having to admit Canada is unusually prosperous and some of them are trying to suggest that she is being unduly exploited by other nations. Yet Canadians hold 64 per cent. of the industrial securities issued by Canadian companies. The Financial Post recently stated Canadians control $700,000,000 worth of investments in foreign countries, including over $120,000,000 in the United States. To me, one of the most significant and interesting happenings during the past two or three years has been the number of branches of Canadian industries and chain stores, etc., which have been established over the border line.

"The Nation's Business," the official organ of the Chamber of Commerce of the United States, recently drew attention to the rapidity with which Canada is freeing itself from United States influence in financial affairs. It has been authoritatively stated that Canadian investments in the U.S.A. reached a higher per capita figure than U.S. investments in Canada.

The facts and figures which I have given you should make any Canadian feel good. They are just the logical outcome of the ever growing national spirit in the Dominion, a spirit which MacLean's, the National Magazine, is doing so much to foster.

Most Successful Year in History

Although the year has not yet closed, the statement can be safely made that the year 1926 is the most successful year in Canadian history. It is now certain that Canada's purchasing power has increased by $50,-000,000; that means that the per capita purchasing power of 9,300,000 Canadians now stands at $608. This figure covers the whole Dominion. In some provinces it has reached a much higher figure. In Ontario, for instance, the per capita purchasing power now stands at $733.

It has been particularly interesting to me during the past few weeks to notice the far greater sales increases made by many American firms in Canada than at home. One firm of my acquaintance showed a sales increase of 180 per cent. in Canada, during the first nine months of this year, as compared with 78 per cent. in the United States. Another U. S. organization treats Canada as a district on their plan of North America, and Canada was the first district on the whole continent to pass its sales quota for 1926, which feat was accomplished during September. Good evidence of the increasing prosperity of Canadians is to be found in the fact that during the first ten months of this year, they purchased 187,,536 automobiles which is just about the number that Canada owned altogether in 1917. In terms of money, Canadians spent about $110,000,000 on the purchase of automobiles in the first ten months of this year as compared with $79,-000,000 last year. In the first eleven months of this year, Canadians bought $560,000,000 worth of bonds, roughly $50,000,000 more than they bought last year. If you meet a pessimist who wants to tell you they are buying motor cars instead of other things, you can tell him that Canada has more home owners in proportion to population than any country on earth, and that the number of bankruptcies is lower than for any comparable country. During the first ten months of the year, in the whole of Canada there were 1,400 bankruptcies, compared with an average of 2,200 for the average period during the past five years.

Rapidly Growing; Rapidly Changing

Not only is Canada the most rapidly growing market, but it is the most rapidly changing market in the world, so that it may be advantageous to spend a few moments analyzing the changes. A few weeks ago a letter appeared in The Toronto Globe, over the signature of a Chicago man, who made the statement that Canada was 90 per cent. agriculture. The fact is that manufacturing displaced agriculture from first place several years ago. Based upon preliminary estimates issued this month, only 29 per cent. of Canada's income in 1926, came from agriculture, whereas 48 per cent. came from manufacturing.

Farming plays such a large part in Canada's prosperity that you will be interested in some brief facts. According to government reports the average income of the Canadian farmer is over $2,000. The Minister

(Continued on page 23)

The Greenshields Review

What factors are most likely to affect security prices in 1927?

The Greenshields Review, now in the fifteenth year of publication, presents in the last issue a summary of conditions which is important to any investor. A copy will be sent on request.

Write to Dept. 4

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

POST-Scripts

TWICE Clarence Snider, Calgary driller, has punched through the skin of the earth in the Turner Valley, to find it very much alive. In each case he narrowly escaped bodily injury.

Snider, with driller Sid Bagley, was in charge of the rig on Royalite 4 when that wonder well "blew in" with spectacular results, requiring much skill to handle its force and later to quell its flames and bring it under its present productive control.

Snider joined the Vulcan Oil Company, a small outfit promoted almost entirely by the town of Vulcan, Alberta, and drove for it the Vulcan well at the Northern end of the field. He made approximately 5,000 feet of hole so straight that the casing could be turned in it—a drilling record for Canada.

On December 24 the Vulcan well, which had been producing 140 barrels of natural gasoline daily from 12,-000,000 feet of gas suddenly had such an accession of flow that the separator plant to which it was attached was blown to pieces and the well ran wild. Snider had a narrow escape from injury.

He and his fellow drillers in the Turner Valley field have a deep respect for its eccentric potentialities.

January Bond List Now Ready

It will assist those with funds for investment. Copy will be gladly furnished upon request.

Wood, Gundy & Company
Limited
Toronto — 36 King Street West — Montreal
Winnipeg — Toronto — New York
London, Ont. — Telephone: Elgin 4321 — London, Eng.

Government
Railroad
Steamship
Public Utility
Industrial

Fifteen Opportunities For Sound Investment—

Following are fifteen issues which bear our recommendation and which are typical of the diversified character of our offerings:—

Issue	Due	Price	Yield
Dominion of Canada Guarant'd 5's (Issued by Canadian National Railways)	1954	102.50	4.83%
*†Com'th of Australia (External) 5's	1955	97.75	5.12%
*†Argentine Govt. (External) 6's..	1959	98.25	6.11%
*†Kingdom of Belgium (External) 7's	1956	102.00	6.85%
*†Kingdom of Denmark (Ext.) 5½'s	1955	99.50	5.53%
Canadian Pacific Railway 5's ..	1934	100.25	4.95%
†Canada Steamship Lines 6's......	1941	97.00	6.30%
†Gatineau Power Co. 5's	1956	95.50	5.30%
Montreal Tramways Co. 5's......	1955	95.00	5.35%
Canada Cement Co. 6's..........	1929	102.25	5.18%
†International Paper Co. 6's......	1955	100.00	6.00%
†Swift & Co. 5's	1932	99.37	5.13%
†Porto Rican Amer. Tobacco Co. 6's	1942	99.00	6.10%
*†Vertientes Sugar Co. 7's	1942	100.00	7.00%
*†Saxon Public Works Inc. (Ext.) 7's	1945	101.75	6.82%

* Listed on the New York Stock Exchange.
† Principal and interest payable in New York funds.

Upon request we will forward a circular giving full particulars of any of the above issues which are offered subject to prior sale and change in price. Investors who wish to keep in touch with desirable high-grade offerings selected from the bond markets of the world, will be sent each month during the coming year, our publication "Investment Securities." The January edition is now ready.

The National City Company
Limited

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10 King Street East TORONTO — 204 Blackburn Bldg. OTTAWA — 71 St. Peter Street QUEBEC

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BRITISH COLUMBIA INVESTMENTS
TIMBER — PULP WOOD AREAS — MINES
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HON. H. H. STEVENS, Managing Director. — W. H. STEVENS, Local Manager.

What is a Good Power Investment?

Certain essentials should be considered by anyone thinking of buying power securities:

Can the power be marketed profitably?

Is the capitalization per horsepower moderate?

Has the management shown ability to create and hold a market?

We herewith recommend the securities of two companies that meet these requirements.

AVON RIVER POWER CO. LIMITED
First Mortgage 5½% Gold Bonds
$98.50 and Interest
To yield 5.60%

QUINTE & TRENT VALLEY POWER CO.
Preferred Stock
$99.00 and Accrued Dividends
to Yield over 7%

Descriptive Circulars Furnished on Request.

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News of Investment Markets

Montreal Bond Sale Healthy Beginning for New Bond Year

New Financing in 1926 Amounted to Over $567,000,000

NEW HIGH PRICE SEEN

Issue Sold This Week Brought Best Price in Past Decade, Records Show

Entering 1927, the bond market is in the position of having a strong background to carry forward the excellent showing of the closing weeks of 1926.

Nineteen twenty-six witnessed an important step toward increased stability in financial conditions in Canada. Substantial economies have been effected by governments and municipalities with the result that there was materially less borrowing than in previous years by such corporations. The result of the smaller amount of new borrowing by public bodies as Wood, Gundy & Co., describe it, has been that larger amounts have been available for the government and municipal issues that have been made and for the requirements of public utilities, industrial and other undertakings.

Bond Issues Very Large

General prosperity, cutting of taxes and other factors all combined to put into circulation large sums of money for investment. The market was strong during the year and issues were readily absorbed. According to A. E. Ames and Company, the value of bonds issued amount to $567 341,196. This is the largest amount of new financing undertaken since 1919 with the exception of 1924. Analyses of offerings show that the United States was the heaviest purchaser of Canadian bonds in 1926, taking $287,361,757, while Canada absorbed $269,799,439, and the balance, $10,180 000, was placed in Great Britain. In the three preceding years, the majority of the new issues were taken up by Canadian investors. A summary of new issues follows:

	Government	Municipal	Corporation	Railway	Total
Canada	77,852,267	49,864,172	141,083,000	1,000,000	269,799,439
United States ...	107,808,000	19,231,257	126,822,500	33,500,000	287,361,757
Great Britain	....	....	10,180,000	....	10,180,000
Total	185,660,267	69,095,429	278,085,500	34,500,000	567,341,196

Ten Year Record Canadian Financing

New issues of Canadian bonds in the past ten years have compared as follows:

1917	$756,000,000
1918	764,000,000
1919	909,000,000
1920	319,000,000
1921	400,000,000
1922	483,000,000
1923	493,000,000
1924	580,500,000
1925	496,500,000
1926	567,000,000

Federal Government Financing

Dominion government financing amounted to $105,000,000, being $65,000,000 less than in 1925. During 1926 four issues of bonds matured. The first was $25,000,000 5 per cent. bonds due April 1 (the Public Service Loan of 1916, which had been issued in the New York market); the second was $70,000,000 4 per cent. temporary notes due Sept. 1; the third was $35,000,000 4 per cent. bonds due Oct. 1 and the fourth $8,000,000 5 per cent. bonds due Nov. 15; in all, $138,000,000.

In order to provide for the various maturities of the year, the Government took advantage of a favorable market in February to arrange for refunding all maturing obligations, including the $70,000,000 of temporary notes, which, under an option, were called for redemption on April 1. This brought the total of securities for redemption in New York on April 1 to $95,000,000. The Government met the situation by selling an issue of $40,000,000 10-year 4½'s in New York, which were disposed of at 98.75, a rate to yield 4.65 per cent., and by arranging with a Canadian syndicate to place $20,000,000 4-year 4½ per cent. bonds and $45,000,000 20-year 4½ per cent. bonds, which latter were publicly offered at 97 to yield 4.73 per cent. This brought the total of Dominion Government financing up to $105,000,000, whereas the total amount maturing during the year was $138,000,000. There was, therefore, an apparent net reduction of $33,000,000 in the total amount outstanding.

Provincial Government Financing

Second only in importance to the financing carried on by the Dominion Government are the financing operations of the Provinces of the Dominion. Each Province appeared in the market one or more times. In 1925 the aggregate of Provincial financing was $107,220,000, whereas in 1926 financing has been decidedly reduced, amounting to $80,633 267. The Provinces appeared 22 times, with the aggregate as shown in the following table, which serves to summarize the situation:

Prince Edward Island	$ 40,000
Nova Scotia	7,500,000
New Brunswick	2,792,000
Quebec	7,500,000
Ontario	27,000,000
Manitoba	8,201,267
Saskatchewan	2,500,000
Alberta	10,100,000
British Columbia	15,000,000
Total	$80,633,267

Note.—Of the total provincial financing, $8,901,276 consists of short-term borrowing of a term of one year or less.

At the first of December the total of outstanding Provincial bonds amounted to $767,767,674. This compares with $124,801,000 in 1913, $309,321,991 in 1919 and $374,411,876 in 1924. These figures serve to bring out the marked increase of Provincial indebtedness over a thirteen-year period.

Municipal Financing

The total municipal financing in 1926, amounted to $69,095 429, as compared with $51,641,470 for 1925, an increase of $17,353,959 for the year. Of the total, Canada absorbed this year over $49,000,000 and the United States over $19,000,000. Over half were issued by cities.

Fifty-eight cities appeared in the market during the year. The most important issue from the standpoint of size was the block offered by Toronto on Nov. 30, which consisted of $7,772,000 4½ per cent. 10, 20 and 30 year bonds. Montreal, on Jan. 11, sold $7,000,000 4½ per cent. bonds. Winnipeg sold in May and June, $4,525,000 4½ per cent. 20-year bonds.

It is conservatively estimated that the municipal bonds maturing in 1926 amounted to somewhat over $31,000,000, so that there is apparently an increase for the year in the amount of municipal bonds outstanding of say $35,000,000.

Corporation Financing

Probably the most striking development of the year in public financing is the financing done by the industrial and public utility and miscellaneous corporations. In 1926, industrial financing amounted to $278,085 500, being more than double the $124,985,500 in 1925. This is a natural development which has come with the growing confidence in the soundness of the business and financial situation.

Notwithstanding the keener demand for the better grade bonds, it is noticeable that interest returns continue to be unusually high, compared with the pre-war level. To-day, such rates are higher than in any year from 1900 to 1914, while the 1900 level had prevailed, with little change, for many years previously. The index number of Canadian bond prices covering eighteen selected securities, prepared by the Bureau of Statistics, show that in January, 1926, the number stood at 106.3, as compared with 105.2 and 104.5 in the corresponding months of 1925 and 1924, respectively. By the month of May, the index rose to 107.0, the highest point reached at any time in the past three years. The following month, however, it fell to 105.1, on account of failure of Maritime concerns to meet interest payments. Since that time the index has slowly receded and recently stood at 103.9.

The situation at present, however, is decidedly encouraging. The lack of any extensive federal government financing has caused a scarcity of high-grade bonds and demand has caused keen bidding for new issues. An example of this is to be seen in the offering of $5,700,000, 4½ per cent. 40 year bonds of City of Montreal, which were sold at 94.521, or on a cost basis to the city of 4.811 per cent. It is said that this is the best price secured for any municipal issue in the past decade. The sale was distinctly a healthy beginning for 1927.

International [illegible]ower [illegible]ds Offered

A [illegible]adian houses participated [illegible] offering of securities [illegible]ernati[illegible] Power Securities Corp[illegible]

T[illegible]olding company, con[illegible] enterprises abro[illegible]y of J. E. Aldr[illegible]an Water and [illegible]

Issu[illegible]of $10,000,000 of [illegible]ectly an obligation [illegible], but specifically s[illegible]age on plants of the Ed[illegible]alian Electric Company, whi[illegible]ters a 1,300,000 h.p. electric syste[illegible] Northern Italy.

Bonds were offered on a yield basis of 7.30 per cent.

$10,000,000
International Power Securities Corp
7% secured gold bonds.

Dated Feb. 1, 1927 — Due Feb. 1, 1957

Company—American Power Security Holding Corporation.

Security—Direct obligation of company. Mortgage on Edison General Italian Electric Company and subsidiary. Specifically secured by six plants with aggregate capacity of 198,000 h.p., valued at $15,000,000.

Earnings—For 1926 were 3.5 times interest, including this issue.

Purpose—Extension of plants and other purposes.

Capitalization—

	Subscribed	Outstanding
Capital stock	$5,000,000	$2,500,000
Series B, 6½% bonds, 1954....		4,000,000
Series C, 6½% bonds, 1955....		9,886,000
Series D, 7% bonds, 1936		4,900,000
6% notes, 1927		2,000,000

Offered—January, 1927, by Aldred & Company, Ltd.; Harris, Forbes & Co., Limited; Bankers Trust Co.; Hanson Bros.; Dominion Securities Corp.; Greenshields & Co.; and Geoffrion & Co.

Rubber Industry Breaks Records in Year Closed

C. H. Carlisle, president and general manager of Goodyear Tire, states that while 1926 figures in the rubber industry of Canada are not yet available, the industry has been active, the tonnage of output has been large and final figures should show that the Canadian rubber industry has again broken its record.

Two Houses Offer Big Apartment House Issue

Worthington Savage & Co., and J. A. G. Clarke & Co., joined to make public offering this week of $500,000 7 per cent., first (closed) mortgage 20-year sinking fund bonds of Clarendon Apartments Limited.

The property is situated at the northwest corner of Avenue Road and Clarendon Avenue, Toronto, and when completed will be one of the largest and handsomest apartment buildings in Canada, having 44 suites and over 200 rooms.

Completely equipped property has been appraised at $845,000. Net earnings after depreciation and taxes are estimated at twice the amount of the bond interest requirements, and the sinking fund is designed to retire about $400,000 of the issue at or before maturity.

All Oil Refineries Had Prosperous Year

The general conditions of the refining and marketing of petroleum products have been steadier in the year 1926 than for several previous years, says S. R. Parsons, president of British American Oil Company. The so-called "distress" products of petroleum so much in evidence two or three years ago, through over-production of crude oil, have not menaced operations except to a very limited extent throughout the present year. The demands especially for automobile purposes have increased with the growth of that particular industry. All the oil companies in Canada have had a fairly prosperous year. Labor conditions are satisfactory as the larger oil companies have gone far in establishing co-operative working relations. There are no untoward conditions facing the industry at the present time, although kaleidoscopic changes often occur. While each day brings its own difficulties, yet there are no clouds on the horizon which would indicate more than ordinary obstacles to face.

East Kootenay Power Increases Capitalization

From Our Own Correspondent.

MONTREAL. — The East Kootenay Power Company has increased its authorized capitalization from $750,000 preferred shares and 30,000 shares of no par value, to $5,000,000, 7 per cent. cumulative preferred and 50,000 shares of no par value common. The old authorized capitalization was all outstanding.

The increase in the authorized capitalization has been undertaken to provide for further future financing; at the moment, it is understood that no immediate financing for further extensions is contemplated.

Securities at Auction

At recent auction sales in various American cities there have been numerous sales of securities of interest to Canadian investors. Some such transactions follow:

75 North American Fisheries & Cold Storage, $10 for lot.
500 Parmac Porcupine Mines par $1, together with other mining securities $100 for lot.
1,400 Royal Canadian Oil Syndicate, subscribers shares, no par, 20c.
$7,000 Vermont & Quebec Power 8's of '42, $400 lot.
1,000 Gibbard Cobalt, par 25c., $1.50 for lot.
9,000 Bailey Cobalt Mines, par $1, $1.10 for lot.

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NOT ENOUGH WALKER SHARES TO FILL ORDERS

Brokers' Allotments in Distillery Shares Prove to be Inadequate

BUYERS ENTHUSIASTIC

Only Warning Note is Faintly Heard and Not Heeded; it Concerns Company's Market in U.S.

There are many disappointed investors who did not get as many shares of new Hiram Walker stock as they had hoped. Of the 400,000 shares of $25 par value, 160,000 are offered the public. Of this number, 120,000 are being sold through Mara & McCarthy and Osler & Hammond, 20,000 have been allotted to other Toronto brokers for distribution to their clients and 20,000 shares have been allotted to brokers in Montreal.

The stock will not be delivered until January 22nd, and the brokers participating in the flotation were said to have agreed mutually not to trade in the stock until January 24th. However, there have been quotations at above $31 on and as, if and when basis. From this, a few prophets of the street are predicting that the opening price for the shares will be around 35 and there are enthusiasts who claim that it will rapidly rise following its appearance in the market places.

Capital is $10,000,000

With the capitalization scaled down from the initial figure of $15,000,000 to $10,000,000, there are few persons interested in brewery stocks who are not strongly bullish with regard to Walker. The stocks of matured liquor which the distillery has on hand at Walkerville, the goodwill of its best-known brand and the actual and potential markets in the United States are among the bullish factors. In addition, it is pointed out that the new company will have the same president and the same general manager as Gooderham & Worts. Although the report is officially denied, the street refuses to believe other than that eventually there will be a merger of the two properties, with consequent benefits to shareholders.

Gossip is Bullish

This is the gossip of the street, and the rank and file of investors is ever prone to give close heed to bullish gossip.

Off the street, in the offices of some of the more conservative observers of Canadian investments, there is here and there a warning note. What would happen to the Walker distillery, it is asked, if its actual and potential market in the United States, the source of its real profits in the last several years, should be cut off either through active co-operation of the Canadian customs department with the United States authorities, or through real efforts to stop smuggling by the United States itself? Would increased earnings from Ontario consumption offset the loss so occasioned? It is not for one minute suggested that Walker's are themselves engaged in this traffic. In fact evidence at the customs probe has shown that they have kept severely out of it. But Walker's can not control the destiny of their product once they have legally sold it.

Officially, of course, liquor exported from Great Lakes ports goes anywhere else but to the United States. The question as to whether or not the Cuban or Mexican fiction can long continue is, however, almost the only bearish factor. The stock is being greeted generally with enthusiasm except by those whose ethical scruples forbid their owning shares in a brewery or distillery, whether or not there is prohibition in the United States. The stock brokerage fraternity includes a few persons of this character.

Announce Directorate

Announcements which were made in daily newspapers this week differed in no essential detail from the report published in The Financial Post a week ago, except that the directorate since then has been completed. In addition to H. C. Hatch and W. J. Hume, president and general manager, respectively, of Gooderham & Worts, are F. K. Morrow, F. Wellington Hay, W. H. Mara, H. F. Marriott, J. H. Lash and Duncan MacLeod, president of Bulloch Lade & Co., Glasgow.

It is understood that Gooderham & Worts advanced a considerable sum in cash in order to complete the preliminary negotiations which led to the announcement of two weeks ago, figured in the original financing which led to the announcement of the purchase from United States interests two weeks ago.

The Walker distillery dates back to 1858. The plant covers nineteen acres at Walkerville, including 1,400 feet of frontage facing the Detroit river, directly opposite the city of Detroit. The company, it is interesting to note, supplies water to Walkerville, Sandwich, Ford and other border towns. The stock of matured liquor on hand is said to total 4,000,000 gallons.

Rubberset Moves Plant Toronto to Gravenhurst

Rubberset Manufacturing Co., which has a plant in Toronto, manufacturing brushes, is going to move its plant to Gravenhurst, Ont., during the summer, F. L. Hughes, general manager, announces. The company already has a factory at Gravenhurst making handles, but will now manufacture its entire line there.

A daily motor truck service will be established. An economical factory purchase, with consequent lower taxation, is given as the reason for the move.

Tenders and By-laws

Jan. 10, City of Saint Lambert, P.Q.—$419,000, 5 per cent. serial or term bonds. J. R. Beatty, Sec.-Treas.

Jan. 22, Village of Mont Laurier, P. Q.—$65,000, serial debentures. J. Jarry, Sec.-Treas.

Jan. 10, Quebec R. C. School Commission—$500,000, 5 per cent. 30 year bonds or $500,000, 5 per cent. serial bonds, 1 to 30 years. Superintendent of La Banque Canadienne Nationale, St. Peter St., Quebec.

Jan 12, Ontario—$24,000,000, 4½ per cent. 30-instalment serial bonds. J. D. Monteith, Prov. Treasurer. (See announcement on page 16).

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s 1940	104	106
Algoma Steel 5s 1962	28½	30
Anticosti Corp. 6½s 1941	102	103
Belgo Can. Paper 6s 1943	102⅛	103
Brandram Henderson 6s 1939	84	89
Burns, P. Co. 6½s 1943	103	..
Calgary Brewery 5s 1942	84	88
Calgary Power 5s 1940	89¼	90½
Canada Biscuit 6½s 1946	100	100⅝
Canda Lt. & Pr. 5s 1949	88½	91½
Can. Car & Fdry 6s 1939	102	104
Can. Nor. Power 6½s 1941	100¼	101½
Brompton P. & P. 6s 1946	98	100
Can. Steamships 5s 1943	95	97½
Can. Steamships 6s 1941	96	97
Can. Salt 6s 1946	101½	..
Can. Steel Fndry 6s 1936	103¼	105
Cedar Rapids 5s 1953	99½	101
Davies, Wm. 6s 1942	93¼	94½
Dominion Iron 5s 1939	29	33
Dom. Power & Tr. 5s 1932	96¼	97¼
Dominion Textile 6s 1949	105	108
Duke-Price Pr. 6s 1966	105	105⅝
East Kootenay Pr. 7s 1942	104	105½
Elev. Development 5s 1933	99⅜	100⅝
Fraser Co. 6s 1950	97	99
Gatineau Power 5s 1956	95	95½
Howard Smith P. & P. 7s 1941	102½	104
International Paper 6s 1955	99¼	100½
Jamaica Pub. Serv. 6½ 1943	101½	104
Kaministiquia Pr. 5½s 1950	99⅜	100½
King Edward Hotel 7s 1944	93	96
Lake Superior P. & P. 6s 1941	105½	107½
Laurentian Pr. 6s 1936	101	102
Laurentide Pr. 5½s 1946	100½	102½
Maple Leaf Mfg. 6½s 1943	102½	105
Maritime Tel. & Tel. 6s 1941	105	108
Manitoba Pr. 5½s 1951	97¼	98¾
Mattagami P. & P. 7s 1949	112	..
Mercury Mills 6½s 1943	100	102
Mont. L. H. & Pr. 5s 1951	98½	99½
Mont. Pub. Service 5s 1942	96½	98¼
Nor. Can. Pr. 6s 1945	99½	101½
Nor. Ont. L. & P. 6s 1946	100½	101¼
Nor. West. Utilities 7s 1938	98½	100½
Nova Scotia Steel 6% Debs.	28	31
Nova Scotia Tram. 5s 1946	87	90
Nova Scotia Tram. 7s 1952	95½	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102	..
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953	103	105
Ottawa Mont. Pr. 6½s 1949	101½	103
Ottawa Riv. Pr. 6½s 1953	101½	103
Ottawa Trac. 5½s 1955	99½	100¾
Port Alfred P. & P. 6½s 1943	102	103½
Price Bros. 6s 1943	103	104
Prov. Lt. & Pr. 5s 1946	99	101
Page Hersey 6s 1946	101¼	102¼
Quebec Pr. 6s 1953	105	107
St. Lawrence Paper 6s 1946	97¾	98¾
St. Maurice Pr. 6½s 1953	108	109
St. Maurice Valley 6s 1945	99½	100½
Shawinigan W. & P. 6s 1950	103	..
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	100½	102
Southern Can. Pr. 5s 1955	97	..
Spanish River P. & P. 6s 1931	107½	..
Spanish River P. & P. 8s 1941	106¼	108
Walmsley, Chas. 6s 1943	88	95
West Kootenay Pr. 6s 1943	102½	105
West Pr. of Can. 5s 1949	96	98
Winnipeg Elec. 6s 1954	98¾	100
Winnipeg Elec. 5s 1935	96½	98½

TWO BREWERY STOCKS OFFERED TO INVESTORS

Toronto Brewing Co. and Canadian Brewing Corp. Are New Issues

Somewhat overshadowed in the scramble for a larger issue of distillery stock, the offer of 75,000 shares of no par value of the stock of the Toronto Brewing & Malting Co. this week nevertheless has met with ready response on the part of the investing public.

The stock is being offered by W. A. Mackenzie & Co., at $12 the share. According to the prospectus, the profits of the company, after the usual allowance for depreciation, will be $2.50 the share of stock issued. The authorized number is 200,000, of which 120,000 will be issued probably within the next two months.

Buy Toronto Property

The Toronto Brewing & Malting Co. is the company which has acquired control of valuable property on Simcoe Street, at Dundas Street, Toronto. It is asserted that, with the completion of the pending financing, the company will have unencumbered assets of $1,450,000, or a little more than the price to be paid by the buyers of the stock.

The directors of the company are Duncan McLaren, J. J. Doran, W. A. Mackenzie and Senator Gideon Robertson.

Stock in another brewing company also will be offered to the investing public within a few days. This is the Canadian Brewing Corp., which is the new company formed to take over the properties of the Dominion Brewing Co., Toronto, the Hamilton Brewing Association, and Grant's Spring Brewing Co., Hamilton, merger of which was announced late last month.

Aird, MacLeod & Co., Toronto, are offering 100,000 shares of this stock at $30 the share. The stock is of no par value. Preliminary estimates fix the net earnings at $480,000 or $4.80 the share of stock to be issued. The three breweries are owners of trade names which are known to the consuming public. It is estimated that the business will increase in value with the advent of government control in Ontario and the prospect of increased tourist travel from the United States, especially from the several large cities which are nearer Ontario centres than to Quebec.

This Week's Bond Sales

City of Montreal

A $5,700,000, 4½ per cent., 40 year bond issue of the city of Montreal was awarded to a syndicate composed of the Royal Bank of Canada, Chase Securities Corporation and Wood, Gundy and Company on a bid of 94.521. It is said that this is the best price which has been obtained for many years for any municipal issue in this country. The price paid is equivalent to a cost basis of 4.811 per cent. The bids were:

Wood, Gundy & Co., Royal Bank of Canada, Chase Securities Corp.	94.521
Bank of Montreal, First National Bank of N.Y., Bankers Trust Co., Kissell, Kinnenutt & Co., Redmont & Co., A. E. Ames & Co., Hanson Bros.	94.268
Rene T. Leclerc, Blair & Coy., Inc., White, Weld & Co., of N.Y., Banque Can. Nationale, R. A. Daly & Co., Atlantic Corp. of Boston, Guardian Detroit Coy., of Detroit	93.767
Harris Forbes & Co., National City Coy., Guarantee Coy., of N.Y., Dillon, Read & Co., Dominion Securities Corp.	93.5613
McLeod, Young, Weir & Co., Bank of Nova Scotia, Bell, Gouinlock & Co., Fry, Mills, Spence & Co.	93.11
Greenshields & Co., Equitable Trust Coy., of N.Y., Halsey, Stuart & Co., Inc., Can. Bank of Commerce, R'y'l Securities Corp., Beaubien & Co., Matthews & Co., Cochran, Hay & Co.	92.79

DOMINION POWER AND TRANSMISSION

November—	1926	1925	Incr.
Gross Earn.	$ 283,409	$ 256,159	$ 27,250
Gross Exp.	187,448	179,388	8,060
Net Earn.	$ 95,961	$ 76,771	$ 19,190
11 Months—	1926	1925	Incr.
Gross Earn.	$2,930,468	$2,773,112	$157,356
Gross Exp.	1,932,523	1,934,359	x 1,836
Net Earn.	997,945	$ 838,753	$159,192

x—Decrease.

RAILWAY EARNINGS

Canadian Pacific

Week end.	1926	1925	Change
Dec. 31	$5,259,000	$5,398,000	—$139,000

Canadian National

Week end.	1926	1925	Change
Dec. 31	$5,215,210	$5,490,258	—$275,048

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107	108
Do. 8s '45	106	107½
Buff Gen Elec 1st 5s '39	103	...
Do ref 5s '39	103	...
Bfo N & E Pow 5s '30	99	100⅝
Lockport L H & P 5½s, '54	102	104
Niag Falls Pow pref 6s '32	105	106
Do 1st & con 6s 1950	105	106
STOCKS		
Buff Niag & E Pow	27½	28½
Do pf	25½	26
Niagara Falls Pow pf	28	29
Niag Lock & Ont pf	113	114½

BOND MOVEMENTS OF THE WEEK

Week Ending January 4

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge.	6	1956	6.92	.....	...	88¾	81¾	88	87⅞	88½	88
Canada Bread	6	1941	5.48	105	102	105½	104	..	105	105	..
Can. Canners	6	1950	6.24	96½	90	100	94	97¼	96¾	97	96½
Can. Locomotive	6	1951	6.04	99	99	99½	99	..	99⅞	99½	..
Montreal Trams. "A"	5	1955	5.38	94	88¼	95	93	95¼	94⅝	94⅝	94¼
Do., 1st mtge.	5	1941	5.12	98¾	94⅞	98½	93	99¾	98¾	98¾	..
Quebec Rly.	5	1939	5.05	98	89¾	100	91⅞	98	..	99½	..
Steel of Can.	6	1940	5.19	106	104	107⅞	106	...	106½	107½	..
War Loan	5	1931	4.72	102.65	101.80	102.40	100.35	101.55	101.20	101.10	......
Do.	5	1937	4.60	104.95	103.80	104.65	102.75	103.70	103.35	103.70	102.90
Victory Loan	5½	1927	4.55	103.15	101.05	101.75	100.00	101.10	100.75	100.75	100.65
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.25	104.10	104.20	104.00
Do.	5½	1934	4.98	104.80	103.25	104.10	102.15	103.30	103.25	103.40	103.15
Do.	5½	1937	4.60	110.00	108.05	109.30	106.90	107.65	107.30	107.45	107.20
Do., Renewal	5½	1927	4.95	102.65	100.90	101.75	100.00	100.90	100.55	100.80	100.40
Do.	5½	1932	5.00	104.20	102.10	103.40	102.00	102.80	102.40	102.80	102.55
Do., Refund	5	1928	4.90	101.40	100.10	101.30	99.00	100.60	100.40	100.40	100.10
Do.	4½	1940	4.82	97.30	96.00	96.90	95.60	96.85	96.65	96.90	96.60
Do.	5	1943	4.85	102.95	101.20	102.60	101.15	102.75	102.40	102.75	102.40
Do.	4½	1944	4.75	97.75	94.95	97.15	95.75	96.95	96.60	97.35	96.60
Do.	4½	1946	4.72	.....	......	96.80	95.65	96.90	96.70	97.35	96.70

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Quebec Ry.	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power	6%	1966
Manitoba Power	5½%	1951
M. L. H. & P.	5%	1951
Gatineau Power	5%	1956
Gatineau Power	6%	1941
Can. Nor. Power	6½%	1941
Winnipeg Electric	6%	1954

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WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Montreal	Jan.	Wood, Gundy & Co., Royal Bank and Chase Securities	4½%	1966	$5,700,000	94.521	4.81

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
International Pr. Sec. Corp.	Jan.	Can. and U. S. Syndicate	7%	1957	$10,000,000	96⅝	7.30
Stock Issues—							
Hiram Walker's	Jan.	Osler & Hammond, and Mara & McCarthy Co.	...	...	160,000 shs.	$25.00	...
Toronto Brew. & Malting Co.	Jan.	W. A. Mackenzie & Co.	...	...	75,000 shs.	$12.00	...
Canada-Rouyn Mining	Jan.	A. D. McMillan & Co.	...	...	1,000,000 shs.	.20	...

Insurance for Buyer and Seller

Hard Work Only Secret of Man Who Closed Big Policy on Harry Hatch

At 36, John A. Donovan Enters Insurance Charmed Circle

FORSOOK LAW TO SELL

"Just Work, Hard Work," is Rule to be Successful Life Insurance Salesman, He Says

By KENNETH WILSON.

Just as Father Time was cashing in his 1926 policy and turning his back on the best year in Canadian life insurance history, John A. Donovan stepped into the underwriting spotlight by closing a policy for one million dollars. This policy, which was written on Dec. 30th, 1926, is the largest single policy ever written in Canada, and the fact that it was written by a Canadian, and in a Canadian Company, is in itself worthy of commendation.

The policy was taken out in favor of Harry C. Hatch, president of Hiram Walker's Ltd., the new distillery company and was assumed by the company, to protect itself from loss in case of Mr. Hatch's death.

The policy was wirtten with the Mutual Life Assurance Co. of Canada, of which Mr. Donovan has been the largest producer for over 3½ years. Mr. Donovan is attached to the Toronto office of his company.

In spite of the fact that the laurel leaf of life insurance lies upon his head, Mr. Donovan bears no signs of the responsibility of his achievement. "I just got it in the ordinary way," he said to me. "There were several of us after the business but it just happened to break my way." To say that John Donovan is modest is to say it mildly, or, better still is to say nothing at all.

As a matter of fact the story of the million dollar policy would never have been told if it had not been for Harry Hatch, who first gave it to the newspapers, after Donovan had quietly refused to discuss it.

Thirty-six years ago, John Donovan entered the "life" business, when he made his first appearance in Leed's County, Ontario, a son of splendid insurance stock. His father, the late A. E. Donovan, who passed away a few weeks ago, was for many years the Canadian manager of the Mutual Life of New York, as well as being provincial member for Brockville for a period of twenty years.

In 1907, John A. came to the University of Toronto and registered at Trinity College. As his family lived out of the city, he had the privilege of living in residence, down at the old college on Queen St. You might easily have mistaken him for an undergrad if you had heard him laugh as he mentioned the old residence. "I'll bet they don't have half as good a time up at the new place as we had down there."

After Varsity, the next step was Osgood Hall and upon being called to the bar he began to practise law with the firm of Mills, Raney and Dewar. Prospects, however, seemed a more lucrative word than clients, and within a year he swung into insurance selling with his father's firm, the Mutual Life of New York. By way of seeking new pastures the next move was to the Orient, and for four or five years Donovan tried his luck among the English-speaking Chinamen in Shanghai. "Insurance out there, you know, is a funny game; they're as much concerned as to who your grandfather was, as they are about your policies — you've simply got to know how to hold a tea-cup properly."

For three and a half years now John Donovan has been the largest producer for the Mutual Life of Canada, which he now represents. He specializes in company insurance and in estate and succession duty settlements. His territory is Ontario and although he very seldom does any actual canvassing, he spends a considerable amount of his time traveling, especially in the northern and eastern parts of the province. In 1926 he wrote over one and a half million dollars' worth of business for his company.

"What kind of business are you writing, Mr. Donovan?" I asked him. "One hundred per cent. straight life," was the reply. "Nowadays people want the most they can get for their money in my kind of policy. They won't pay us an extra $10,000 when they can make far more by investing it in their own business. Another interesting feature of these policies, is that a policy of this sort is free from succession duties. The future for this business in Canada is tremendous. Practically every new incorporation in the United States insures its chief executive, and Canadian practice is rapidly following in that direction. I don't know anything that should be of more interest to your readers than the recent growth of company insurance in Canada."

Of course John Donovan deserves the place he holds among insurance underwriters. He volunteered the secret of his success as he stood looking out of his office window. "Just work, hard work." The words speak for themselves, and it is undoubtedly the combination of personality, work and a first-class background that enables John Donovan's friends to call him "The man who wrote the million dollar policy."

JOHN A. DONOVAN.

MOST INSURANCE ON ONE OF THREE FAVORITE PLANS

Straight, Limited, and Endowment Divide Most Policies

Answering the question, "What kind of insurance shall I buy?" a prominent life company has submitted a few suggestions that may be of service to the man who is somewhat bewildered by the countless array of policies which are submitted for his approval. Just as in the purchase of an automobile, a man may buy merely transportation or transportation plus elegance or special utility, so in insurance there is the option of purchasing merely protection, or protection plus many other features such as endowments and settlements.

Broadly speaking, differences in price of insurance are due partly to differences in the cost of administration, partly to differences in investment, but principally to the manner in which the insurance is paid for. For example, yearly premium payments are cheaper than quarterly payments, because premiums are payable in advance, and when you divide them into fourths, you must make up the lost interest on the deferred parts of the instalments. Few people understand that the payment of a level premium from year to year, means paying more at the early ages and less at advanced, than is really called for by the insurance liability of each of the years.

Four Types of Insurance

The average buyer of insurance limits his purchases chiefly to four types of purchases. If his need is temporary, he buys what is known as term insurance. Comparatively little of this is bought, however, since the price advances with advancing years. If he wants a low price insurance at a fixed premium for life, he buys what is called straight life. If he can afford to pay his total cost in large instalments, and so dispose of them within a fixed period, he buys a limited payment policy, with premiums usually payable in twenty instalments. Probably sixty to sixty-five per cent. of the policies in force at the present time are on either of these latter plans. If the buyer wishes to accumulate a saving fund, and at the same time to insure it so that his beneficiaries will receive it in case he does not live to collect his purchase, he subscribes for an endowment policy which always becomes payable at a fixed date, stated in the contract, or earlier if death intervenes. The proportion of this type of insurance in force is probably about one quarter.

To say that probably 90 per cent. of the insurance in force is in these three plans is to analyze pretty well the question, "What kind of insurance shall I buy?" This is the way millions of policyholders have answered the question, and their verdict is worthy of careful consideration.

BUILDERS' ASSET, CONTRACT BONDS GROW IN FAVOR

But Canadian Companies Attempt to Dodge the Troubles Seen in U.S.

Outside its own family circle, very little is known about the contract bond, an insurance policy which guarantees the completion of a contract made by a contractor when he undertakes the construction of a highway, a building, or other such project. With the high level of construction activity of 1926, a new record has been made for contract bonds in Canada, and the prospects for its future development are worth considering in the light of recent developments in the United States.

The contract or construction bond, is a form of guarantee insurance which, although it has been used by builders and promoters for years, has not as yet achieved as much prominence in Canada as it has in the United States. There are many reasons for this, perhaps one is that in Canada the Dominion Government will not accept a contract bond on any construction job, but demands from all applicants a certified cheque for ten per cent. of the amount of the contract. This removes one of the most lucrative sources of contract bond business because in the United States the government contracts for a large part of the constuction underwriter's battlefield.

Reckless Competition in U. S. A.

At the present time the companies which are underwriting this business in Canada are few in number and are able to keep in fairly close touch with one another. As long as this state of affairs exists there is not much cause for concern, but, with the expansion of business, already forecast this year, there are consequences well-nigh inevitable if a field of this sort is thrown open to the mercy of reckless competition. Here is an example of what has happened in the United States:

For the last year a bitter controversy has been waging over there between contractors and contract bond underwriters because of the indiscriminate bonding of contractors, irrespective of their financial standing or their ability to carry out the contracts which they have undertaken. In other words, the claim is made that possibilities of profit are so great in contract insurance, that agents and companies yield to the temptation to "take a chance" without making adequate investigation of the situation.

Causes Loss to State

According to engineers and others who have studied the American situation at first hand, one of the results of this situation is that indiscriminate bonding has caused heavy losses to the state, because it has enabled inefficient contractors to attempt contracts that they are unfitted and unable to carry out.

Suppose a foreman or builder, without previous administrative experience, acquires a little capital and decides to become a contractor himself. He puts in a low tender for a certain job and receives the contract on condition that he supplies a bond for the successful completion of the work. He applies for a bond and is refused until he can supply more satisfactory evidence of his ability and responsibility. Competition for the underwriting of these risks is keen, however, and sooner or later the contractor finds some company willing to take the risk of giving him a bond, without first submitting to scrutiny on the part of auditors or other experts. Perhaps, if the contractor is shrewd and capable, and if things break well, he will succeed, and the insurance company is encouraged to take further chances, and to again follow the lines of least resistance in soliciting business. Obviously the company stands to write a lot of business, because, by not requiring the contractor to submit to an exhaustive audit, the total outlay necessary to secure a bond is materially lessened.

Weed Sheep from Goats

According to United States experience there is only one conclusion to such a practice, and companies that embark upon a vicious circle of this sort usually find themselves in hot water sooner or later. Honest contractors blame the surety companies for not weeding out the sheep from the goats. Surety companies disclaim any responsibility and maintain that by endorsing young and promising contractors they are performing a service and are keeping down the cost of construction.

One American company attempted to remedy the situation by giving a preferred rate to all contractors who were willing to go to the trouble of having their standing and ability rated by competent experts. This scheme fell through for the obvious reason that other companies offered the same preferred rates without the requirements of an expert rating.

Not Yet in Canada

So far Canada has not had to face this evil in her contract bond experience. Some of the companies writing this class of business consider that the Canadian field is a remarkably clear one at the present time, while others already see the handwriting on the wall unless something is done to maintain the utmost cooperation between the companies writing this business in Canada. Already the towns and municipalities, and the business builders of Canada, are preparing for great things in the way of construction during 1927 and undoubtedly the contract bond will be used this year in Canada to a far greater extent than it has ever been used before.

Kaministiquia Power Co.

The Kaministiquia Power Co. has notified its preferred shareholders that in order to make the guaranteed dividend periods synchronize with the fiscal year of the company, which ends Dec. 31, a dividend for two months only will be paid on Jan. 15, 1927, to shareholders of record Dec. 31.

King Edward Hotel

The old stock of the King Edward Hotel has been withdrawn from trading on the Toronto stock exchange, and a new issue of 20,000 of no par value has been listed in their place.

[Ad No. 4 in a series on Business Mortality]

How Long Does a Manufacturing Business Live?

Do you sell to Manufacturers? If so, do you know how long your customers will "live"? Here are tables representing a study of thousands of cases, compiled by the Bureau of Business Standards of the Shaw publications.

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Lumber and Timber	7.0 "
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Cigars and Tobacco	7.5 "
Hosiery and Knit Goods	10.0 "
Creamery Goods	5.0 "
Brass, Bronze and Copper	5.4 "
Clothing	9.2 "
Drugs	5.3 "
Automobile	5.0 "
Carriages and Wagons	7.0 "
Average for these 14 Leading Lines	7.2 "
Average for 213 Other Lines	6.8 "
General average for Manufacturing Concerns	7.0 "

The average life of your possible customers is only seven years. Many of them are undoubtedly at this dangerous age *right now*. You can't know exactly when they will fail, *nor can you prevent it*. But you *can* safeguard your resources against the consequences—with one of our policies of Credit Insurance.

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Two fears haunt the reflecting man:
He may live too long.
He may die too soon.

If, when old age comes, he is dependent on others, he has lived too long.

If, at death, he leaves his family inadequately provided for, he has died too soon.

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Current Events in Banking World

SUGGESTS 25c. CHARGE ON ALL N.S.F. CHEQUES

Managers Urged to Take Firm Stand on Question

This contribution to the discussion on N.S.F. cheques comes from a Maritime Provinces' bank man.

N.S.F. cheques are the cause of much work and bother—that means expense—to our Canadian banks, at the receiving branches as well as at the paying branches.

While it seems impossible to introduce any means of immediately eliminating these cheques, much can be done to discourage the practice of issuing them, by making it costly to do so, and at the same time to educate the public against the practice by showing it in its true light.

A minimum charge of twenty-five cents on each N.S.F. cheque every time it is returned unpaid would do much towards curtailing the number outstanding and, in case of large cheques, make an additional charge to cover interest from date of issue to date of payment.

Some Now Make Charge

Branches of banks in a few of our Canadian cities now make a charge of ten or fifteen cents on each N.S.F. cheque returned for payment, this charge being paid by the endorser, and they also require that such cheques be segregated from others when being returned to the clearing centres.

Some banks in the U.S.A. make a charge of twenty-five cents to the drawer's account every time a cheque is returned marked N.S.F. This is one remedy I advocate for Canadian banks to put into effect without delay and thus obtain some small remuneration for all the extra work caused.

Managers should warn offending customers that if they persist in issuing cheques without funds their accounts will be summarily closed. The operating charge which may be made does not in any way pay for the additional expense incidental to operating such unsatisfactory accounts. In practically every case the bank would be well rid of these accounts and the officers of the branches would have more time to devote to sound business and to solicit attractive new business.

Wrong Attitude of Courts?

Perhaps our law courts take the wrong attitude toward the practice of issuing N.S.F. cheques. There is no doubt in my mind that the drawers of worthless cheques should be required to prove that they actually did have real and sufficient reasons to anticipate funds at credit of their accounts to provide payment.

All managers should take a firm stand in this matter and not allow their branches to become the tools of those who issue cheques in order to stall off the day of reckoning or under false pretences to mislead or actually to defraud some other party.

Manitoba Power Builds New Line to Mines

From Our Own Correspondent.

MONTREAL.—Work has been begun on the transmission line to be built from the Great Falls plant of the Manitoba Power Company northeast into the heart of the Lake Winnipeg mining district as far as the property of the Central Manitoba Mines.

Two survey parties are now out, one starting from Great Falls, and the other from the vicinity of Long Lake, not many miles from the W.A.D. property. These two parties will work toward a common centre. The line followed takes in part of the route of the winter road into the field, and in part the line laid out last summer by the Canadian Pacific survey party.

Staff Gossip

Merrill MacQuarrie, who has been on the local staff of the Bank of Nova Scotia for the past two years, left recently for Saint John, to which city he has been temporarily transferred to the North End branch of the bank there.—Times, Moncton.

* * *

Douglas Etter, of the Canadian Bank of Commerce, who has been in Charlottetown and other Island branches for the past six months, has been transferred back to Amherst and has taken up his duties in the local branch of the Canadian Bank of Commerce.—News, Amherst.

* * *

D. C. Davidson, manager of the Royal Bank of Canada, St. Stephen, has left for Shawinigan Falls, Que., having been transferred to that city. Mr. Davidson was president of the Schoodic Fish and Game Association and held office in the Athletic and Tennis Club. Roland H. Frazee, of Parrsboro, has been transferred to St. Stephen branch, succeeding Mr. Davidson.—Globe, St. John.

* * *

A. E. Bolger has been appointed manager of the Bank of Montreal's branch at Napierville, to succeed J. G. Richard, who has been promoted to the managership of the Chapeau branch.

Mr. Bolger is a native of Quebec City. He began his banking career with the Quebec Bank and, after ten years with that institution, entered the service of the Bank of Montreal in 1916. He was for some years the assistant accountant of the St. Roch branch in Quebec City.—News, St. Johns, P. Q.

* * *

T. B. Weatherbee, of the Canadian Bank of Commerce, Calgary, has been notified of his appointment as assistant manager of the Bank of Commerce branch at Montreal.

Mr. Weatherbee joined the bank in Nova Scotia. After service at Halifax, Winnipeg, and several western country branches, he was appointed accountant at the Calgary branch. He subsequently served as accountant at Winnipeg and in the superintendent's office at Winnipeg.

Several years ago he was appointed one of the inspectors at Calgary, which post he has held until his present appointment.—Herald, Calgary.

Business Man Would Cancel Bank Accounts Where Drafts Not Met

Editor, The Financial Post:

As a business man having to do with worthless cheques and drafts returned, through our branch banks, I am exceedingly interested to know that there is a strong feeling in the business world, and particularly in Canada, to make it a serious matter to "kite" useless cheques and drafts.

It has been drawn to my attention that our larger banks are closing out such accounts, from time to time, these accounts only to be taken up again by the smaller banks. This is becoming quite noticeable. I think this should be looked into at once by the Bankers' Association. When an account of this kind is closed, another bank should not take it up without going into the matter very carefully. It should be considered a very grave misdemeanor on the part of any bank manager to do so.

When a dealer allows his accepted drafts to go back repeatedly with absolutely no attention, he is not entitled to a bank account. The regular practice where a man wants to do what is right is to pin a small cheque and a note to the draft, keeping the paper good for a reasonable time, say, 30 days—almost any business man will accept such a settlement. But when accepted drafts are returned with absolutely no explanation, it is high time the customer should have his account closed by the bank. With a big draft, the refusal to meet it makes it very hard for the manufacturer or wholesaler who is counting on this money that has been tied up in a draft that has probably been standing out for two or three months.

I would suggest that all head offices of banks issue instructions at once to stop this serious practice.—Ontario Business Man.

Canadian Bank Clearings for Full Year 1925

Eastern Cities

	1925	1926
Montreal	$ 5,143,250,794	$ 5,646,347,421
Toronto	4,914,651,845	5,196,428,183
Ottawa	328,862,264	338,607,366
Quebec	296,868,697	319,659,404
Hamilton	250,224,656	268,402,609
Windsor	172,716,001	219,129,742
Halifax	153,908,814	150,800,492
London	136,640,609	142,856,910
St. John	131,306,092	136,226,527
Kitchener	49,231,111	51,757,834
Brantford	50,714,486	55,177,564
Moncton	41,258,874	44,207,861
Sherbrooke	42,169,656	44,259,493
Peterboro'	40,564,340	41,685,282
Kingston	36,429,859	38,293,493
Total, East	$11,788,798,098	$12,693,840,181

Western Cities

	1925	1926
Winnipeg	$ 2,892,376,615	$ 2,708,415,756
Vancouver	807,197,610	888,704,118
Fort William	43,110,272	48,102,058
Calgary	355,320,700	393,910,637
Edmonton	239,350,281	259,611,172
Regina	225,429,503	240,953,818
Victoria	101,269,481	110,885,953
Saskatoon	91,430,855	103,237,697
N. Westminster	33,049,655	39,253,110
Brandon	31,805,295	31,005,956
Lethbridge	28,410,029	29,565,732
Pr. Albert	17,347,716	20,193,966
Medicine Hat	15,359,364	15,462,521
Moose Jaw	61,186,406	68,190,644
Total, West	$ 4,942,643,782	$ 4,957,493,138
Grand Total	$16,731,441,880	$17,651,333,319

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Dec. 31, 1925	Dec. 30, 1926
Halifax	$ 2,421,802	$ 2,449,472
St. John	2,082,473	2,253,236
Moncton	722,694	771,673
Sherbrooke	574,540	744,144
Quebec	5,515,504	5,904,354
Montreal	98,617,780	106,751,835
Ottawa	5,866,807	5,916,851
Kingston	600,011	681,181
Peterboro'	691,477	724,941
Toronto	79,386,861	92,405,078
Hamilton	4,342,291	5,061,325
Brantford	985,615	963,297
London	2,178,757	2,665,551
Kitchener	845,047	1,028,848
Windsor	2,545,473	4,629,023
Sarnia	....	596,132
Chatham	....	847,767
Total, East	$207.377.132	$232.950.809

Western Cities

	Dec. 31, 1925	Dec. 30, 1926
Ft. William	$ 710,633	$ 849,618
Winnipeg	55,858,296	46,666,304
Brandon	468,739	575,923
Regina	5,521,714	4,542,264
Saskatoon	1,859,468	1,885,342
Moose Jaw	1,242,488	1,904,310
Pr. Albert	369,024	431,657
Lethbridge	830,044	539,440
Calgary	8,941,280	7,696,693
Edmonton	4,340,702	4,504,794
Medicine Hat	261,411	267,359
N. Westminster	632,174	624,555
Vancouver	13,457,050	15,391,058
Victoria	1,696,069	1,648,352
Total, West	$96,189,092	$87,527,669

Monthly Bank Clearings

(In comparison with same month last year).

Eastern Cities

	Dec., 1925	Dec., 1926
Halifax	$15,546,488	$12,851,353
St. John	12,086,871	11,841,928
Moncton	4,589,972	4,598,251
Sherbrooke	3,501,968	4,061,891
Quebec	28,154,351	35,451,746
Montreal	563,487,613	552,160,254
Ottawa	32,626,090	32,475,264
Kingston	3,498,056	3,672,411
Peterboro'	3,830,462	3,945,321
Toronto	552,681,992	514,322,036
Hamilton	24,309,968	25,829,485
Brantford	5,642,504	5,587,922
London	12,991,160	13,449,789
Kitchener	4,666,502	4,963,465
Windsor	15,106,140	21,018,804
Chatham	....	3,532,430
Sarnia	....	2,730,411
Total, East	$1,282,720,137	$1,246,179,920

Western Cities

	Dec., 1925	Dec., 1926
Fort William	$ 4,829,668	$ 5,247,499
Winnipeg	398,745,038	274,989,622
Brandon	3,103,050	3,807,477
Regina	27,333,466	24,079,327
Moose Jaw	7,172,278	6,794,751
Saskatoon	11,200,895	10,099,715
Prince Albert	2,113,460	2,092,310
Lethbridge	3,772,198	2,841,784
Medicine Hat	1,723,152	1,429,320
Calgary	44,941,215	42,727,407
Edmonton	24,632,817	26,034,398
Vancouver	74,871,654	82,165,505
N. Westminster	2,214,714	3,319,743
Victoria	9,457,364	8,748,514
Total, West	$616,110,969	$494,377,372

SUGAR ADVANCE HELPS CANADIAN REFINING FIRMS

Heavy Consumption Aided by Stimulus of Better Prices

Heavy consumption, combined with a small carry-over and anticipation of an average crop, held forth promise of another successful season for Canadian sugar refineries. Since the collapse of the sugar market in 1920, the industry has been steadily rehabilitating itself and during 1926 made great strides towards reassuming the important position which it occupied some six years ago.

It is estimated that the apparent world consumption of sugar for 1927 will amount to about 1,000,000 tons more than production and carry-over combined. This statement is based on anticipated output in all principal producing countries and applies to both beet and cane sugar. As the season advances it may be found necessary to revise this statement, but in any event it is not expected that revision will materially alter the above figure.

Another factor of importance and one which will have a reasonable influence on the sugar industry is the regulations recently promulgated by the Cuban authorities in respect to cutting of cane. Heretofore, it had been the custom to commence operations early in December. Under the new restrictions, cutting will not begin until January 1st. This means that, for 1927 at least, there will be added a period of approximately three weeks during which refiners and distributors will be able to market last year's run before the new sugar comes on the market.

Sugar Shows Big Advance

On the strength of this news, sugar has advanced from 2½ to 3½ cents a pound in the last three weeks. Compared with the ruling price of over 20 cents in 1920, this is relatively low, but it is stated that this price covers cost of production, marketing and allows of a small margin of profit to the grower. This information applies more particularly to Cuba than to the West Indies, from which Canada receives most of her supplies of cane. The stabilization of the situation in the former country, however, will have a deciding influence on the marketing of the latter's crop.

From the standpoint of the Canadian refineries, the advance in price will have a stimulating effect. It is believed that the price trend of sugar will not pursue an erratic course during the marketing, but will likely reach a higher level, which is not expected to affect consumption. This will allow Canadian refineries to operate on a sounder basis, which, in turn, will probably be reflected in higher earnings for the different companies engaged in this industry.

B.C. Telephone Purchase Help to British Trade

A development of significance for British manufacturing interests is involved by the purchase of the control of the British Columbia Telephone Company, says the London Times. The buyers are a holding company (the Associated Telephone and Telegraph Company) which includes Theodore Gary and Co., the International Automatic Telephone Company, British Insulated Cables, Cables, Telephones and General Trust, and Siemens Brothers and Co. It is understood the British Columbia Telephone system is now going to be converted to an automatic system, and this must obviously lead to the International Automatic Telephone group having the important business of carrying through the conversion. For some time past determined attempts have been made to acquire control of telephone companies abroad for the purpose of transferring valuable manufacturing business pertaining thereto to factories on the continent of Europe and elsewhere, which, owing to exchange conditions, and cheap labor, are able to quote competitive prices for supplies. The British Columbia Telephone acquisition is a direct answer to these attempts to cut into British export trade. By reason of the operation of Imperial preference it may be anticipated that all new apparatus and supplies will be furnished by Canadian and British manufacturers.

New Dominion Life Manager

Robert J. Rousso is the new manager for the Dominion Life Assurance Co. in Montreal. Mr. Rousso who has many years' insurance experience in French-Canadian territory, was originally with the Mutual Life. Following the resignation of the former manager, E. P. Hunter, of Toronto, has been in temporary charge of the Montreal office.

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Refineries - St. John, N.B.

New Issue

$500,000

The Clarendon Apartments Limited

7% First Mortgage (Closed) 20-Year Sinking Fund Bonds

Dated December 15th, 1926. Maturing December 15th, 1946.

Principal and semi-annual interest, June 15th and December 15th, payable at the Standard Bank of Canada, Toronto, or at its Branch Office in St. Catharines, Ontario. Coupon Bonds, denominations $1,000, $500, $100, with privilege of registration as to principal only. Redeemable in whole or in part at the Company's option on any interest date on 30 days' notice, at 103 and accrued interest to December 15th, 1934; at 102 and accrued interest thereafter to December 15th, 1941, and 101 and accrued interest thereafter to maturity.

Trustee: The Royal Trust Company, Toronto.

Legal Opinion: Tilley, Johnston, Thomson & Parmenter, Toronto.

CAPITALIZATION

	Authorized	To be issued
7% First Mortgage Bonds, due 1946 (this issue)	$500,000	$500,000
Common Stock (No par value)	5000 shares	5000 shares

For information regarding these Bonds we refer to the within letter from Mr. H. Falk, President of the Company, from which we summarize:—

"The Clarendon", when completed, will be the most modern and luxurious apartment in the City of Toronto. Due to its exclusive location and the refinement of its appointments, it will fulfill the existent demand of Toronto's most desirable patronage.

PROPERTY: The property consists of a parcel of land situate on the north-west corner of Avenue Road and Clarendon Avenue, Toronto, Ontario, which has a frontage of about 135 feet on Avenue Road and about 195 feet on Clarendon Avenue. On this site there is being erected what architecturally will be the most beautiful and modern apartment building in the city. It will contain approximately 44 suites of apartments having a total of about 200 rooms. Six and seven room suites will contain three bathrooms; five room suites will contain two bathrooms. Extra quarters for servants will be provided in a portion of the building especially set aside for them. Rooms will be amply proportioned, living rooms will be approximately 15 by 30 feet. In addition to the self-contained apartments the public rooms will consist of a large reception room, entrance hall, ballroom, billiard room and gymnasium.

A delightfully appointed restaurant and dining room will be built and operated for the extra service and convenience of tenants. It will also be available for dinner and supper parties for tenants wishing to entertain on a large scale.

A squash court and tennis court will be placed upon the property. Beneath the structure will be a garage of sufficient dimensions to accommodate cars for all tenants. In short, no other apartment in the City of Toronto can at present compete with this property in the amplitude of its accommodation, its ultra-modern appointments and super-conveniences.

VALUATION: An independent appraisal of the land, building and equipment when completed, as given by Mr. W. N. Lonsdale, is $845,500. This issue of First Mortgage Bonds represents less than 60% of this valuation. Copy of the appraisal may be seen at the office of the underwriters.

SECURITY: These Bonds are secured in the opinion of counsel by a first fixed charge upon the land, buildings, fixtures and equipment and by a floating charge on all other assets of the Company.

The very considerable equity in the property representing the balance of the amount needed to finish the building and equip it completely ready for occupancy has been furnished by Mr. H. Falk, President of the Company.

SINKING FUND: Under the terms of the Mortgage Deed of Trust, the Company covenants to pay to the Trustee, commencing December 15th, 1929, and annually thereafter, a sum of $12,500 during the life of the Bonds. Twenty-year endowment life insurance policies in an amount of $200,000 have been placed on the lives of the President and Secretary of the Company. These policies are endorsed in favor of the Trustee for the benefit of the Bondholders. In the event of death of either or both officials before the policies mature, the proceeds of the insurance shall be used to retire Bonds immediately. From the abovementioned annual payment of $12,500 the premiums of the insurance policies shall be paid and the balance shall be used by the Trustee to redeem Bonds. This Sinking Fund will have the effect of retiring approximately $400,000 of this issue at maturity.

INSURANCE: Fire insurance to an amount of not less than the principal amount of Bonds outstanding at any one time shall be carried in favor of the Trustee for Bondholders.

RENTALS AND EARNINGS: Based upon experience in operating high grade properties of a similar character in other cities, the gross earnings should be $91,320—operating expenses, including taxes, are estimated at $17,400, leaving a net revenue of $73,920. Bond interest therefore should be earned twice over, thereby leaving an ample margin for Sinking Fund requirements and insurance premiums.

SPECIAL TRUST DEED PROVISION: The Trust Deed provides that payments will be made monthly in advance to the Trustee sufficient to meet all taxes, interest, sinking fund and insurance requirements.

We offer these bonds for delivery if, as and when issued and received by us and subject to approval of our counsel of all proceedings, at:

100 and Accrued Interest, to Yield 7%

Orders or reservations may be telephoned or telegraphed at our expense.

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The statements contained in this Advertisement are not guaranteed, but are based upon information which we believe to be reliable and upon which we acted in purchasing these securities.

RUBBER INDUSTRY OF CANADA STANDS ON SOUND FOOTING

Stevenson Scheme Pursues Even Tenor of Way Despite Gestures from Other Countries — Our Exports Show Growth

By RALPH W. ASHCROFT,
Northern Rubber Company, Guelph, Ont.

There has been nothing spectacular in the rubber world during the year that has just closed.

The Stevenson restriction plan has pursued the even tenor of its way, and has not been assailed by frantic gestures such as Hoover, Longworth and others indulged in during the latter part of 1925.

There has been no Congressional probe to ascertain why rubber is not grown at the North Pole, nor as to why it is resilient and flexible,—such as seemed to be imminent a year ago.

Satisfied With Conditions

On the other hand, so far as the crude article is concerned, American buyers and the British and Dutch sellers, seem to be well satisfied with conditions and with each other. The plantation man is getting a fair return on his investment, and to recoup him for his lean years, and the rubber-goods manufacturing is content to pay around 40c. per lb. for his supplies, instead of $1 or more, as was the case a year ago. In short, the Stevenson plan has been fully vindicated.

The most interesting event of the year was the fruition, last November, of the philanthropic project which was mooted some months ago, to enable the smaller rubber-goods manufacturer to purchase his supplies of crude rubber at a reasonable price.

The plan was formulated, and is now being operated by some of the principal tire and motor-car manufacturers in the U. S.

Pool Buying of Rubber

They have agreed to pool their buying of crude rubber, and have established for that purpose a credit of $40,000,000 with the National Bank of Commerce and the International Acceptance Bank.

They have announced that they will always carry a reserve stock of 50,000 tons of crude rubber on hand. With this $40,000,000 cushion,—or should it be called sand-bag?—they will metaphorically "whale the tar" out of any Stevensonite who attempts to gouge the buyer.

In other words, they propose to pay out $2,400,000 cash per annum, in interest, so that they (and the smaller rubber-goods manufacturers not in the pool) may, if possible, benefit by a stabilized market.

How the scheme will work out remains to be seen. That it will tend towards stabilization is undoubtedly true; that it will perpetually or even temporarily "bear" the market is questionable; that it is better than their former procedure of wildly scrambling after supplies, independent of each other, cannot be gainsaid.

Counter-move by British

It is reported that a counter-move is contemplated by the British plantation interests to pool the selling of the available supplies, but no definite, authentic news on this score has yet been received.

If reports that have obtained credence during the year have any truth in them, it would seem that every available acre of land within 20 deg. north or south of the equator has been staked out as a rubber plantation, and all are apparently financed by American interests, except that the French Michelin Company is reserving 120,000 acres in Cochin-China for themselves.

California, Arizona and Texas also, are to become a guayule rubber "Garden of Eden," and a full-grown Hevea Braziliensis tree has been found by a U.S. government investigator flourishing in sandy soil in a man's back yard in Florida.

Truly, in 1937, if these chimerae materialize, crude rubber will sell for less than nothing, with a pound of tea thrown in for good measure.

Open Rubber Exchange

The opening of the Rubber Exchange in New York city on February 15th, 1926, was a notable event in rubber history, and has had a steadying effect on prices.

The objects of the exchange, which has its full authorized quota of two hundred and fifty members, are:—To provide, regulate and maintain an exchange and to furnish facilities to its members for the purchase and sale of crude rubber, siak, pontianak, gutta percha, balata, guayule, and other products partaking of and akin to the same qualities possessed by rubber; to establish just and equitable principles in the business carried on by and between its members; to maintain uniformity in rules, regulations and usages in the business; to effect standards of classification in said business; to acquire, preserve and disseminate useful information in connection with the business throughout all markets; to decrease local risks attendant upon the business; and generally, to promote and facilitate the business of buying, selling, dealing with and dealing in the above mentioned products, and to create among the members facilities with which such or similar businesses may be conducted.

Cotton at Low Level

Cotton, which enters so largely into the production of tires and other rubber goods, is at a low level of about 13c., whereas it was over 20c. at the beginning of the year, and touched 25c. or over in March, 1925. As a result, a cotton "restriction plan," similar to Stevenson's for rubber, is to be put into practice.

The latest report available on American cotton shows an increase of 2,295,000 bales, as compared with the crop of 1925.

It is not expected, therefore, that prices of manufactured rubber goods will appreciate to any extent during 1927.

The Canadian consumer of rubber goods is in a particularly enviable position from a price standpoint, due largely to the fact that some of the rubber-goods mills in the Dominion are still Canadian-owned.

In times past, it was the custom of the large American companies owning Canadian factories to take "all that the traffic would bear," by establishing Canadian selling prices which were practically equivalent to U. S. prices plus the duty imposed by our tariff.

Slightly Above U.S. Price

Nowadays, this is not the case. The smaller sizes of automobile tires, for instance, sell in Canada at only about 5 per cent. above the American price. In the rubber footwear trade also, selling prices are established by the Canadian-owned factories, with the result that more than $500,000 per year of good Dominion money remains in the pockets of the Canadian public instead of going over the border to fatten the bulging bank accounts of the disciples of the dollar.

Lower selling prices in Canada are also made possible by the constantly increasing volume of our rubber-goods exports, and the coincident reduction of overhead expense, and economies effected through larger production.

During the seven months ended October 31,—these being the latest government figures that have been issued—Canada's exports of rubber-goods were as follows:

Seven Months Ending October

	1924	1925	1926
Waste Rubber	$ 43,578	$ 196,336	$ 164,787
Belting	242,674	314,105	321,364
Canvas shoes	1,090,801	1,549,854	2,533,700
Boots & shoes	446,036	1,183,256	1,739,316
Clothing	18,204	29,794	15,286
Hose	86,612	135,158	156,929
Bicycle Tires	....	....	898
Auto Tires	3,071,730	5,584,009	7,952,975
Inner Tubes	503,938	983,819	1,330,467
Solid tires	110,916	128,330	141,652
Other rubber manufactures	184,801	228,029	330,618
Totals	5,799,290	10,332,690	14,687,992

Substantial Increase Shown

This total of $14,687,992 for seven months, shows a substantial increase in exports of rubber goods, when it is compared with the $20,726,859 exported during the preceding twelve months. The current year's total is expected to be over $25,000,000.

Domestic sales depend almost entirely on the population of the country, and its general prosperity, and will probably somewhat exceed, during the coming year, those of 1926.

Speaking generally, Canada's rubber-goods industry is on a sound basis, and the products of her rubber mills are to be found in large volume in by far the majority of the foreign and in all the Colonial markets, as well as in Great Britain.

JAMES PLAYFAIR BUYING CANADIAN VICKERS' PLANT?

(Continued from page 1)

companies in Canada which will tend to place these enterprises on a more profitable basis than heretofore. Negotiations are not far enough advanced to warrant any details being made public, but an announcement will be made in due course.

"The principal corporations operating drydocks in in Canada are:

"Canadian Vickers, Montreal.

"Montreal Drydocks, Montreal.

"Davie Shipbuilding and Repairing Co., Quebec.

"Halifax Shipyards, Halifax.

"St. John Drydock & Shipbuilding Co., St. John, N. B.

"Collingwood Shipbuilding Co., Collingwood, Ont.

"Yarrow's, Vancouver.

"Burrard Drydock Co., Vancouver.

"Prince Rupert Drydock Co.

"Western Drydock & Shipbuilding Co.

"Which companies will be affected by the present negotiations has not been divulged, but it is understood that the English control of one of the large companies has already passed to the Canadian financial interests who are working on the proposition.

"It is interesting to note that quite a percentage of the drydock companies have interlocking directorates or shareholders, which would, in the natural course of events, result in an amalgamation when the time was opportune."

It may be that the foregoing gives the key to the solution of the impending deal, for James Playfair is already interested in several drydock properties, including the Saint John drydock and the Montreal drydock. Thus it might be that a merger of some of the drydock companies in Eastern Canada is contemplated.

Ontario Plans Further Debt Reduction by Serials

Ontario is again to sell instalment bonds. The province has not placed a loan-term issue since December, 1925, over a year ago.

The province is now selling $24,000,000, 4½ per cent., instalment serial bonds, proceeds of which will be entirely used for paying off maturing loans.

This issue is in instalment form—$800,000 of principal being repayable each year, the first of which payments will be made on the 15th of January, 1926.

This is in line with the announced policy of the government to definitely provide for the retirement of the bonded indebtedness of the province, and is in accordance with the general principles laid down by the debt retirement committee.

J. C. Mitchell, three times wheat champion at the Chicago International, has given a new potato, "Mitchell's Excelsior," to the Dominion.

SAYS SPECULATION IN STOCK MARKET AID TO BUSINESS

President of New York Stock Exchange Defines Its Function

Special Correspondence.

DETROIT.—Speculation is an inseparable, integral and indispensable feature of all business and trade, and to attempt to abolish it would be "Utopian and impossible," E. H. H. Simmons, president of the New York Stock Exchange, declared in a speech at the annual dinner of the Detroit Stock Exchange on January 6. Mr. Simmons spoke on the topic "Speculation and the Stock Exchanges," and outlined clearly and emphatically the part which speculation plays in business, and drew a sharp distinction between speculation and gambling.

"It is not," he asserted, "what a man intends to do, but what he actually does. Speculation consists in buying or selling property with a purpose of making a profit between the purchase and selling price, and meanwhile accepting the inevitable risks which attend such an operation. Gambling, on the other hand, consists in wagering sums of money on some future fortuitous event, without any necessary relation to the acquisition or disposal of property. This is the essential distinction between speculation and gambling which has in most cases been adhered to in the law, and it is perfectly sound from an economic standpoint.

Not Gambling Risks

"Superficially, of course, gambling and speculation seem very much alike. Both processes involve the assumption of risks in the hope of making profits. But the risks assumed in speculation are the inherent risks attending the ownership of property. On the other hand, the risks of gambling are unnecessary and artificial risks, which are created simply for the purpose of deciding wagers of money."

Referring to these risks of ownership of property, Mr. Simmons remarked that it is peculiar that "although practically everyone realizes the importance of this element of risk and uncertainty in the practical conduct of business affairs, so few people appreciate its necessary relationship to the constantly changing values of security prices on the stock exchanges." The risks and uncertainties in modern manufacture, he added in this connection, must be imparted to the securities of manufacturing companies and securities of modern business must fluctuate in value so long as modern business itself fluctuates. Speculation in securities, he declared with emphasis, is "simply an effect, not a cause, of the speculative tides which constantly sweep through our whole business world."

Some Foolish to Speculate

Discussing speculation in its personal and individual aspect, the speaker asserted that all individuals are not equally suited to engage in speculative business, and characterized as "foolish" the man who engages in speculative operations, either in securities or otherwise, when he cannot afford the financial losses which such transactions make possible. A lack of balance and proper sense of proportion and responsibility sometimes brings into speculative transactions a recklessness which takes the place of the steady and constructive work the economic order requires, he added. Security markets, he went on, did not create speculation. On the contrary, it was speculation which had been going on for hundreds of years in all sorts of property which created the need for organized markets to "handle the business in an orderly, equitable and systematic manner." The stock exchanges, Mr. Simmons continued, neither approve nor disapprove of speculation as such. They simply recognize that speculation is an "inevitable and omni-present economic force, that it performs an absolutely vital economic function, and that speculative transactions in the exchanges must be handled, and handled in an adequate way, if the exchanges are to serve a useful business purpose."

What Business Owes to Speculation

Mr. Simmons traced the growth of the country and of business, and the strides of science and invention, all of which, he declared, owed a tremendous debt to speculation. The great railroads, mining fields, manufacturing industries, have all depended upon the process of security speculation for their growth and development, he declared, concluding:

"If capital in adequate amounts for these things is continually to be found, speculation in securities is not an accidental accompaniment, but an indispensable causal factor of the process. The stock exchanges of the world, despite the age which many of them have already attained, have only begun to perform for the public the economic services which they are able to perform. Stimulated by the driving force of scientific discovery, but tempered by scientific research, steady public education and the time-tested regulations of the organized security markets, speculation in securities will, in the future, as in the past, prove a gigantic economic power in man's triumph over the world of nature, and the establishment of ever higher spiritual and material standards in the daily lives of everyone."

Rent Suites in Clarendon

It is stated that almost 25 per cent. of the suites in the projected Clarendon apartment building, Toronto, already have been leased. Ground has not yet been broken for the building. The property is to cost $860,000 and $500,000 is being offered in bonds.

Vancouver's programme of improvements to public utilities in 1927 will be an extensive one, involving more than $2,000,000; for so the civic electorate has voted.

GOVERNMENT NOW MAPPING CANADA BY PHOTOGRAPHS

Transit Has Camera as Neighbor in Engineer's Kit of Tools

It is natural for a person going on a trip to take along a camera to record in a permanent way the sights and scenes of other places. Like other government officials whose work takes them into unknown or little known parts of Canada, the Dominion land surveyors of the Topographical Survey, Department of the Interior, who have been the pioneers of Western Canada, have always brought back photographs of the country through which their surveys took them; it was early recognized that these views were a very valuable addition to the knowledge of the country and its resources. Thus it was that a camera and sufficient films or plates became a regular part of each surveyor's instrument equipment, and there has grown up at Ottawa a very large collection of photographs.

In addition to this class of photographs the Topographical Survey has two other extensive series of views taken expressly for surveying purposes. These are the photo-topographical and the aerial pictures. It was early recognized that surveys made by ordinary methods in a mountainous area like the Rockies, and sufficiently detailed to furnish material for an accurate map, would be prohibitive on account of the cost. The late Surveyor General, Dr. E. Deville, therefore adapted and developed the science of map-making from photographs.

The aerial photographs are very recent additions to the above collection, but already the number equals all the others combined. These photographs are taken by the Royal Canadian Air Force acting in conjunction with the Topographical Survey. They are used for various purposes, but the majority are taken for mapping the lake and forest areas of Canada lying north of present settlement. The recent map of the Red Lake district issued by the Topographical Survey was compiled from these photographs taken from the air. For country of this description, this method of mapping seems destined to play a very important part.

FOREIGN EXCHANGES

Brazilian Milreis Decline Once More

Conducted by S. J. ZACKS.

A substantial decline in Brazilian milreis features the week's activity in foreign exchanges. Milreis dropped drastically on Wednesday, with a net decline of $0.45 over last week's figures. A few weeks ago reports arrived of the plans for a stabilization bill which would peg the milreis at 11.90 cents, and the rate hovered about this figure for several weeks. Information outlining the details of the stabilization bill has been scarce. The drop in milreis, nevertheless, is sharp and reflects dissatisfaction over the stabilization plan, which is now being considered. Ability to supply gold internally, or foreign credits to maintain a 11.90 milreis, is questioned in many quarters. Brazil recently dropped its bucket in the New York money market and was able to secure a substantial loan. Doubt arises as to whether Brazil's quick reappearance in the money markets for a stabilization loan would be welcomed.

Other quarters blame the plan of the stabilization bill for the present decline, while still others mention the difficulty of the passage of such a bill through legislative circles as a possible reason for the decline. Early summaries of the criticism of the bill intimate that it gives control of currency and exchanges to the government and, further, it is not clear as to whether it provides for an adequate milreis withdrawal to balance the Caruzeiros circulation. It is also understood that the bill gives leeway to more political manipulation than is desirable.

Norwegian kroner and Spanish pesetas rallied sharply in the past holiday foreign exchange sessions. The rise was due to speculative buying. The rise is noteworthy in that during recent months it appears that whenever there is a holiday in New York, and none in London, something of a sensational character happens.

The French rate softened in sympathy with sterling, which is a little easier. Lower money rates in London, following the recent reduction in discount rates, would not come as a surprise. Should money rates be easier in London, no doubt sterling would decline a little further. A dispatch from Paris states that the Bank of France will no longer continue its original stabilization plan of offering to buy or sell francs in unlimited amounts, but will operate in such a way as to reduce speculation and eliminate major fluctuations.

Figures for 1926 show U. S. gold import balance of $100,000,000, as opposed to 1925 gold export balance of $135,000,000, while exports to Asia increased by 24 per cent., and imports are up 7 per cent. for the first nine months. Exports to Europe declined 14 per cent. Exports to Latin North America declined 9 per cent. while exports to Asia increased by 24 per cent., to South America by 11 per cent., and those to Africa by 16 per cent. From this it is apparent that United States is developing trade in the newer, less industrialized parts.

NEW YORK FUNDS

	High Premium	Low Premium	High Premium	Low Premium
Dec. 30	7-64	1-16	7-64	3-32
Dec. 31	1-8	3-32	7-64	7-64
Jan. 3	9-64	1-8	3-16	1-8
Jan. 4	9-64	1-8	3-16	1-8
Jan. 5	5-32	5-32	3-16	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 30	4.85	3.95	4.50¼
Dec. 31	4.85	3.94¾	4.49¼
Jan. 3	4.85⅛	3.94¾	4.49¾
Jan. 4	4.85⅛	3.93¾	4.47¼
Jan. 5	4.85	3.94	4.42¾

FOREIGN EXCHANGE

Par		Dec. 29	Jan. 5
19.30	Italian	4.52	4.44¾
32.45	Brazilian	11.81	11.62
23.82	German	23.36	23.79
19.30	Belgium	2.79	2.79
84.85	Japan	49.00	49.02

Canada Steamship Line's Shares Are Appreciating

From Our Own Correspondent.

MONTREAL.—The securities of the Canada Steamship Lines are growing in popularity, with the result that both issues of stock have appreciated in price. While the common is selling around 38, the voting trust common shares are changing hands at about three points below this figure despite the fact that there is no difference between the two classes of stock except that holders of the voting trust shares are not allowed to vote on their stock until the date of the expiry of the voting trust agreement.

Pending developments in the company are sometimes hinted at, but the real reason underlying the advance seems to be the improved position of the company itself. The preferred shares, since the first of the year, are, of course, on a 6 per cent. dividend basis.

$24,000,000.00

Province of Ontario

30-Year 4½% Serial Coupon Bonds

The Government of the Province of Ontario will receive tenders up to 12 o'clock noon on Wednesday, the 12th day of January, 1927, for:

$24,000,000.00 Province of Ontario 4½ per cent. Serial Bonds dated the 15th day of January, 1927, maturing in thirty annual instalments of $800,000 each, on the 15th day of January in each year, the first instalment becoming due on the 15th day of January, 1928, bearing interest at the rate of 4½ per cent. per annum, payable half-yearly on the 15th day of January and the 15th of July, principal and interest payable at holder's option, in gold coin or lawful money of Canada at the office of the Treasurer of Ontario, Toronto; or at the Agents of the Treasurer of Ontario, in the Cities of Montreal, Winnipeg, Vancouver, Regina, Halifax, Calgary and St. John, Canada; or in gold coin of the United States of America at the present standard of weight and fineness at the Agents of the Treasurer of Ontario in the City of New York, U.S.A.; or at the Agents of the Treasurer of Ontario in London, England at the fixed rate of $4.86 2-3 to the pound sterling.

Bonds to be in the denomination of $1,000.00 each, with coupons attached, and may be registered as to principal only.

Payment for and delivery of bonds to be made at the Agents of the Treasurer of Ontario in the City of New York on or before the 27th day of January, 1927. On receipt of payment, interim debentures will be issued exchangeable for definitive debentures on completion of same by the engravers.

Sealed tenders endorsed "Tenders for Province of Ontario Debentures," should be addressed to the Hon. J. D. Monteith, Treasurer of Ontario, Parliament Buildings, Toronto.

Tenders must be for the whole amount offered, and each tender must be accompanied by a marked cheque for $240,000 00 to be applied in the case of the successful tenderer as part payment for the bonds.

The above bonds will be issued under the authority of 16 Geo. V. (Ontario) Chap. 6, and R.S.O. Chap. 21 and Amendments.

The highest or any tender not necessarily accepted.

J. D. MONTEITH,
Treasurer of Ontario.

Toronto, January 6th, 1927.

The International Nickel Co.

A quarterly dividend of one and one half per cent. on the Preferred Stock has been declared this day payable Feb. 1, 1927, to the Preferred stockholders of record at the close of business, January 13, 1927.

JAMES L. ASHLEY,
Secry. & Treas.

New York, Jan 3, 1927.

WANTED

General manager for well-established Trust Company in Western Canada.

Apply Box 404, The Financial Post, Toronto 2, Ont.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the 20th day of January, 1927, to shareholders of record at the close of business the 10th day of January, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 26th January, 1927, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 25th November, 1926.

CHRISTIE, BROWN & Company, Limited

DIVIDEND No. 7.

A quarterly dividend of one and three-quarters per cent. was duly declared on the Preference Stock of this Company, payable to shareholders of record at close of business January 20th, 1927.

A quarterly dividend of thirty cents (30c) was duly declared on the Common Stock of this Company, payable to shareholders of record at close of business, January 15th, 1927.

Both dividends payable February 1st, 1927.

J. C. MILLAR, Secretary.

Toronto, Ont., January 3rd, 1927.

Kennedy Castings

Kennedy's are noted for the manufacture of clean, sound castings at fair prices. Send us your patterns.

The Wm. KENNEDY & Sons Limited

OWEN SOUND, ONTARIO.

Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg, and Vancouver.

BUSINESS OPPORTUNITY

offered to a man possessing executive ability and some capital as part owner and manager of a well equipped wood-working plant near London, Ontario, established 40 years.

A. E. WHITE,
1801 Diversey Parkway,
Chicago, Ill.

DOMINION TEXTILE COMPANY, LIMITED

Notice of Dividend

A Dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Common Stock of Dominion Textile Company, Limited, has been declared for the quarter ending December 31st, 1926, payable 3rd January, 1927, to shareholders of record December 15th, 1926.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1926.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

S. H. LOGAN,
General Manager.

Toronto, November 26th, 1926.

Automotive Credit Corporation
LIMITED

NOTICE TO BONDHOLDERS

Notice is hereby given that the regular half-yearly interest of three and one-quarter per cent. (being at the rate of six and one-half per cent. per annum) will be due and payable on January 1st, 1927, and coupons should be presented at the office of the Company, 702 Temple Building, Toronto, Ontario, on or after that date.

Registration and Transfer Books will be closed from December 24th to December 31st 1926, both dates inclusive.

By order of the Board,

A. E. HYNDMAN,
Secretary.

December 20th, 1926.

The British American Oil Company, Limited

Notice to Shareholders

At a Special General Meeting of the Shareholders of the Company held on December 15th, 1926, the Shareholders authorized the conversion of the Shares of the Capital Stock of the Company of the Par Value of $25.00 each, into shares without Nominal or Par Value on the basis of four Shares without Par Value for each Par Value Share.

Share Certificates and Share Warrants for new No Par Value Shares will be issued on the above basis upon deposit for cancellation and exchange therefor of the existing Share Certificates or Share Warrants, as the case may be, for old Par Value Shares, ONLY at the Office of the Company, 13th Floor, Royal Bank Building, Toronto, Ontario.

Shareholders are requested to deposit their Share Certificates or Share Warrants, as the case may be, for the old Par Value Shares as above, as soon as possible after the First day of January and not later than the 14th day of January, 1927.

The Transfer Books of the Company will be closed from the close of business on the 14th day of January to the close of business on the 29th day of January, 1927, except for the purpose of recording the exchange of new No Par Value Shares for old Par Value Shares so surrendered for cancellation.

Share Certificates and Share Warrants forwarded by mail for deposit will be at the owner's risk and should be registered, and Warrants should be insured. When Share Certificates and Warrants for No Par Value Shares are delivered, if mailed, they will be registered but will be at the owner's risk.

A form of direction as to the cancellation and exchange of Share Certificates and Share Warrants may be obtained from the Head Office of the Company, Royal Bank Building, Toronto, Ontario, and should be completed and delivered with the Share Certificates and Share Warrants as above.

DATED at Toronto, Ontario, this 31st day of December, 1926, by order of the Board.

A. L. ELLSWORTH,
Secretary.

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, JANUARY 7, 1927 No. 1

VOLUME OF TRADING IN QUEBEC ISSUES HOLDING STEADILY

Drying Up of Supply of Spectacular News Causes Market to Ease

ONTARIO'S STRONGER

Hollinger, Lake Shore and Others Achieve New High —Outlook is Excellent

The interest in Quebec mining shares has continued unabated. In addition there has developed a nervous market for the leading Ontario shares, something The Post predicted would come about. No one can say, however, that this is the first sign that the Quebec issues have had their run, though it may prove to be the case. The Quebec prices have held fairly well, better than would have been the case had there not been tremendous support behind some of the issues. Signs of weakness developed early this week, when spectacular news was lacking and the public was impatiently awaiting news of Area's diamond drilling. At the time of writing there is no change in the situation. The market is slightly off color, but is maintaing itself well. The next sharp move to be expected should come if Area strikes something good in the diamond drilling. If Area does not, the bad news will likely be delayed as long as possible and there will be a slight easing until some further good news is forthcoming.

Like Cobalt's Early Days

The trading that has gone on in the Quebec issues during the past few weeks has been well compared with the market situation that developed during the early days of Cobalt when prices ran riot. However, the Quebec issues have a long way to go to approach anything like what happened when the Cobalt stocks were on the rampage.

While it is generally agreed among mining engineers of repute that Quebec gives promise of developing into a wonder camp, it must be remembered, that there is going to be a fair period of time elapse between the time these important finds are made and that when the companies will start writing dividend cheques for their shareholders. Also a great deal of money is going to be needed and meanwhile the market may soften as it has during the same waiting period in other camps.

Those who are eargerly grabbing up these stocks must remember this fact and not get panicky if the market does ease somewhat. There are hundreds who are buying the cheap shares to-day, hoping that at least one that they pick may duplicate the market feat of Lake Shore or some of the other good stocks. The fact to remember is that it took a great deal of patience, yes, and courage too, on the part of the original purchasers of Lake Shore to pass up the tempting profits that piled up each year and hang on to their stock. Shareholders in Quebec issues may experience the same testing, with perhaps this difference, their companies are not going to find it near so slow getting development funds and this will mean a material speeding up. Two other factors in the Quebec situation are that transportation and power are at their door, almost as soon as the companies need them. These will speed up matters and make the available funds go considerably farther than was the case with the early Ontario mines.

No Startling News

There has been no outstanding news of the week except perhaps Aconda's platinum news. As has been said everyone seems to be waiting on the Area drill results. It is understood that Amulet will also do some drilling to try and pick up bodies indicated by the electrical survey. Laval shares have been much stronger and there seems to be a heavy accumulation going on around this level. The issue

(Continued on page 18)

WRITE FOR OUR MARKET LETTER

F. J. CRAWFORD & CO.
F. J. CRAWFORD
S. J. McGRATH
MEMBERS STANDARD STOCK AND MINING EXCHANGE
STOCK BROKERS
10 JORDAN STREET
TORONTO, CANADA
Cable Address "Service"
PERSONAL SERVICE

London Evidently Mum on Canada's Mining Progress

T. A. Rickard, contributing editor to Engineering and Mining Journal, New York, writes on "Mining and other affairs in London" the sub-heading stating that the city echoes news of gold, tin and copper from the Colonies. Mr. Rickard tells of his many contacts with mining men and of operations in Rand, New Rhodesia, Cornish Tin, Australia, etc., etc.—but—there is not a mention of Canada in the article. Mr. Rickard in speaking of the Mining and Metallurgical Club, says:

"At that hospitable rendezvous one meets engineers from all over the world; the club, one might say, serves as a gastronomic annex to the Institution of Mining and Metallurgy," etc.—and "to anybody needing information concerning mining developments in distant corners of the earth there is no place like the mining club."

Mr. Rickard's article seems to be a fairly detailed story on London's mining interest. So that the presumption is that he heard nothing about Canada.

Base Metal Exploration Looms Large for Ontario During Year

Area to West of the Quebec Belt and Sudbury Basin Loom Important — Soo and Timmins Section Also Hold Big Possibilities

Base metal exploration seems to loom large for Ontario for 1927.

Two principal points of activity will be, the area west of the Quebec copper-gold section, including Ben Nevis and Clifford Twps., north and east of Kirkland Lake proper, and Sudbury section, west of the nickel producers, where Bunker Hill Sullivan people got attractive diamond drill results and have started sinking operations.

The Soo area also holds great possibilities for silver-lead-zinc and negotiations to finance an important operation in that section are now going on.

Discussing the Bunker Hill Sullivan and other possibilities, Hon. Chas. McCrea, Minister of Mines, says:—

"What has every appearance of proving a new branch of the mining industry is being developed in the Sudbury basin. Extensive diamond drilling has revealed the existence of large deposits of copper-zinc-lead ore, and shaft sinking has begun. Hitherto zinc and lead, while finding a place in the list of Ontario's minerals, have not figured prominently in the statistics of production. Northeast of Sault Ste. Marie promising finds of zinc-lead ore and argentiferous galena were made in 1926.

"The great activity in Northwestern Quebec, due to the discovery of large bodies of copper sulphide, in some cases carrying gold, has stimulated search for similar deposits west of the boundary line. Finds of copper ore have been made in Ben Nevis and Clifford Twps. and in Munro some thirteen feet of massive copper-zinc-lead ore has been cleared of the snow. In Jamieson and Robb Twps., too, west of Porcupine, massive chalcopyrite was discovered last year, and extensive claim-staking is the order of the day."

Three Smelters May Operate on Pacific Coast by End of Year

Large Expansion of Lead-Zinc and Copper Production May Bring This About—Old Ladysmith Will Re-open and Two Others Are Talked of

From Our Own Correspondent.

VANCOUVER.—Three new smelters may be placed on an operating basis in British Columbia this year. Consolidated Mining & Smelting Company, is reported to be seriously considering establishing a smelter at the coast to handle the steadily advancing tonnage of its properties close to tidewater. Another smelter is under consideration by British interests, representatives of whom are reported to be now on their way to this province to look over the situation. The third smelter is the renovated Ladysmith plant, in connection with the resumed operation of which H. B. Thompson, formerly Canadian fuel controller, and Henry Carmichael, prominent British Columbia mining man, are now in England.

Expansion Needed

The enormous increase in the production of lead, zinc and copper in this province will make it necessary to enlarge smelting and refining facilities very materially, in the opinion of mining men. Several of the big interior plants, notably those operated by Consolidated and Granby and Britannia, have been augmented during the past year and they will be further extended; but the trend of future development, it is expected, will be in the direction of more smelters on the coast.

If the British interests referred to go ahead with their plans the establishment of the iron and steel industry on the coast will be assured. These people are understood to be primarily interested in the manufacture of steel and they are reported to be anxious to erect an electrically operated smelter here for the treatment of British Columbia ores.

Testing Iron Ores

They have been carrying on experiments with British Columbia iron ores and the latter are said to have responded successfully to treatment. The fact that two directors of the company interested are on their way to Vancouver to continue their investigations is regarded as a happy augury. Dr. Thomas, who was largely responsible for getting the Spillers milling people interested in the grain trade here and the subsequent construction of a grain elevator, has been in charge of the negotiations with these principals.

The proposition being worked on by Thomson and Carmichael in connection with the Ladysmith smelter provides for the installation of the Gordon system of mineral separation. The Salt Lake plant, where this process was first given a tryout, has been so successful that the capacity has been doubled. Complex ores are said to be more economically treated by the Gordon process than by fire treatment. Pulping of the ore is followed by a patented system of leeching with acid. The old Ladysmith furnaces do not figure in the company's plans.

Two Copper Operations

Important developments are anticipated in connection with the Coast Copper Company, Ltd., a $1,000,000 concern controlled by the Consolidated. Heavy production on this property, which is located on Vancouver Island, is expected. Development work was continued on this property during the past year and results were encouraging in connection with the extensions of the north and south drift with crosscutting and diamond drilling.

According to advices from Montreal, if Consolidated goes ahead with plans for a coast smelter shareholders of the Coast Copper Company will participate. The Sunloch mines, located on the west coast of Vancouver Island, will also be involved. This is another concern with $1,000,000 capital. Large bodies of high grade copper have been disclosed by the development carried on so far.

New Towagamac Shares at $3.50

Directors Decide to Allot Balance of Treasury to Shareholders

N. A. Timmins, Inc., has made the payment of $90,000 due Towagamac on Jan. 1. This means that this important Quebec deal will go on. By the terms of the deal, Mr. Timmins will go ahead and spend $50,000 monthly in the development of the property.

It is announced that Towagamac will place the balance of its treasury shares, 149,990, with shareholders at $3.50 per share. The exact basis on which shareholders will be allowed to take them up has not yet been announced. It is understood that the directors will take up what remains after the shareholders' wants are satisfied. Towagamac's original issue was at $1.50. This week the shares sold at $5.75, so that the shareholders have a nice profit on their original purchase and will have a nice profit on the shares which will be alloted to them. Developments on the property have been most encouraging.

New Company for Bathurst Group

Will Undertake Development of Important Narrow Lake Claims

OTTAWA.—Shareholders of T. W. Bathurst, Limited, the company formed some time ago to develop the Bathurst gold mining claims in the Narrow Lake district of Northern Ontario, have ratified agreements whereby a new subsidiary company to be known as the Bathurst Company, Limited, will be sold 1,000,000 shares of no-par-value stock of T. W. Bathurst, Limited, together with nine of the thirty claims owned. The new company will develop the property while the old one will retain certain rights, together with representation on the board of directors. To make this deal possible, T. W. Bathurst, Limited, will issue 2,000,000 shares of no-par-value, 1,000,000 of these shares remaining in the treasury for the present. The new company is being given the option to purchase these in large blocks every six months.

Kirkland Gold Drift 100-Ft. in Good Ore on the 2,350 Level

Kirkland Lake, on last report, had entered good ore for 100 feet in the 2350 foot level, west drift. Values run $14 to $45 with both walls of the drift in ore. The mill is now handling about 150 tons daily with millheads for the last month averaging around $13 per ton. Ore for the mill is now being drawn from six levels, as development work proceeds, as well as from the dump.

Despite Cheap Native Labor, Rand's Cost $4.50 Per Ton

Rand's production of gold in 1926 will total about 843,854 oz. as against 808,218 ozs. in 1925. It will create a new record. Costs have been reduced and are now around $4.50 or above Hollinger's average despite the fact that native labor, so cheap, has been good throughout the year. Recently The Financial Post published figures to show that Rand's labor cost, despite chief native labor, was higher per ton than Hollinger. Efficiency of white labor at Hollinger is the explanation.

WATCH WORK ON DUPRAT CLAIMS

Because of Area Market Electrical Prospecting is Keenly Watched

Duprat Mines are expanding. It is officially announced that the company has taken over an additional group of 500 acres in Mountbray Tp., near Nipissing, Coniagas and Towagamac. A report has already been made on the group by Jos. Houston, M.E., and it indicates a favorable outlook. The company, with a substantial cash treasury is in a position to finance this exploration, and also take care of diamond drilling and development on the main Duprat groups which will follow the completion of the electrical survey.

Some have been watching eagerly for the report on the electrical survey on Duprat, because of the tremendous rise it brought in Area shares. This will not be forthcoming until after the middle of the month. It is understood that the effort is progressing very favorably, but no details will be available until the complete report of the operators is present to the company. It is the intention of Duprat to follow immediately with the drills.

67 Wells Under Way in Alberta on 22 Structures

The following is a summary of Alberta Oil activities for 1926 as prepared by Alberta oil examiner:

"Drilling was under way at 67 wells on 22 structures in Alberta during 1926. Of these 29 wells were in Turner Valley and 7 in Wainwright.

"Tests have been in progress in the following fields: Acadia Valley, Altario, Bow River, Coalspur, Coutts, Sweetgrass, Foremost, Fort Vermilion, Highwood, Irma, Lesser Slave Lake, Medicine Hat, Moose Mountain, Morley Reserve, Peace River, Olds, Ribstone, Turner Valley and Black Diamond, Wainwright, Fabyan.

"Four important producers were brought in during 1926—Edmonton-Wainwright, Western Consolidated No. 2, Vulcan No. 1 and Illinois-Alberta.

"Oil in commercial quantities was struck in the Dakotas in Home No. 1 and New McDougall-Segur wells."

Ontario's Silver Output Below B.C. in 1926

It is believed that when 1926 silver production figures are available for Ontario they will show an output of about 10,000,000 ounces, a little less than British Columbia and the lowest for Ontario since Cobalt got well under way in 1906.

Howey Units Now Attract Attention of the Speculators

Howey Syndicate, with 5,000 units, many of which are in the hands of the public, present possibilities now that the Howey Gold Mines has been financed. Howey Syndicate as vendors to Howey Gold mines, will ultimately take down shares for their interest. Under the Dome deal the unit holders were to get $100 cash and 250 shares of stock. Under the new deal there will be no cash. It is intimated that the units may draw 500 shares under the new deal. Jack Hammell sold 1,000,000 shares. There is 1,500,000 left in the treasury. It is understood that the Dome holding when repurchased went back into the treasury. This means, if right, that there would be 2,500,000 shares available for unit holders or 500 shares per unit. Units recently changed hands at $200. At 50 cents a share, 500 shares would be worth $250.

HOWEY MINES ARE FINANCED; ISSUE OVER SUBSCRIBED

Jack Hammell Raises $500,000 Quickly Among Mining Friends

Howey Gold Mines, Red Lake, has been financed privately. Quietly without any publicity, Jack Hammell placed large blocks of the stock among mining friends. The total requests for stock were for 1,700,000 shares besides others who were discouraged from sending in applications when informed that the issue was all gone.

It was a good stroke of financing. The bulk of the buyers were mining men, well acquainted with Hammell. They provided the whole of the $500,000 which has been raised and which will provide for the opening up of the property in an aggressive way.

"I am sorry that persons associated with me jumped into public print before I had the matter all cleaned up and placed," said Mr. Hammell, in discussing the matter. He felt that what was undoubtedly one of the nicest and cleanest pieces of mine financing, had been marred by advance stories. Besides it forced a rush of plans and a hurried closing up of the issue.

First Step Taken

This is the first step taken in regard to the Howey since Dome dropped its option. Mr. Hammell has had numerous offers to finance but after weighing and turning them all over, he decided to handle the preliminary work personally, and met with an overwhelming response from mining men with whom he has long been intimate.

It is believed that the figures on the diamond drilling of Howey have proven quite a sensation to the engineers who have studied them, and this has been a big factor. Hard-headed old engineering friends of Hammell's, when informed what the drills showed, proved quite eager to get their cheques in.

No public offering of the shares will be made and Mr. Hammell says his plans for the operation of the property are not yet complete.

Capitol Finds Contact Shallower in Places

Exploration work by diamond drilling on Capitol Silver Mines has given the management a more or less definite idea as to the location of the upper side of the diabase sill. The former shaft to a depth of 800 feet is known to be about 250 feet above the contact. However, other areas more recently drilled have shown contact at around 600 and 700 feet in depth.

MARKET VALUES HOLLINGER MINE AT $103,320,000

Some Remarkable Rises in Valuation of Properties During Year

QUEBEC SPECTACULAR

Valuation of Area Mines Jump Over Five Times in One Month's Time

Some new high marks were achieved recently by some of the leading gold stocks and some others, not yet at the producing stage reached some fairly high marks. This makes an analysis of the market valuation of some of the mines of material interest.

Hollinger this week sold at $21,000, a new high for all time, and this carried the market valuation of the mine beyond the $100,000,000 mark, or $103,320,000. Standing next in valuation is Noranda, which, during the recent bull market was carried above $40,000,000. McIntyre's rise has been very small in the year, as will be seen by the table below. Dome has suffered materially in the year while Lake Shore has had a very spectacular rise, better than $12,000,000.

Teck Near Double

In the leading producers Teck Hughes leads in market appreciation during the year and fell but little short of doubling its valuation. Nipissing had a conservative rise lately due to the interest in the company's Quebec operation on claims staked and optioned.

The greatest appreciation in the recent heavy market movement has taken place in Area and Amulet. In one month the rise in these issues has been phenomenal. Area on Dec. 3 was selling at 25 cents and on Jan.

(Continued on page 18)

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DRILLS INDICATED LARGE ORE BODIES NORTH OF FLIN FLON

Sheritt-Madole and Adjoining Group Found Attractive by Nipissing People

OPTION DROPPED

Extension on Time to Await Whitney Interest Progress on Flin Flon is Refused

What is evidently the Nipissing interests side of the story in the dropping of the Sherritt-Madole property in Northern Manitoba, is published in a current issue of Engineering and Mining Journal, New York. The tenor of the whole article is to lay the blame on E. P. Gordon. The Pas, and Toronto associates. Messrs. Earle, Fasken and others, who optioned the property, wanted a material time extension, so as to await progress on the Flin Flon, where Whitneys are experimenting with similar ore, but evidently an extension could not be secured from Mr. Gordon and his associates, who took the original option from the prospectors and then optioned the property to the Nipissing people. The article is of material value nevertheless, giving as it does some interesting figures on the huge tonnage of ore indicated. It reads:

Early in 1926 drilling of the Sherritt-Madole property, in northern Manitoba, was begun by interests in the Nipissing Mining Co., who had an option on the property. Since then various statements, which are said to have been more inaccurate than otherwise, have appeared in the press and elsewhere regarding the results. This drilling was done under the direction of W. Lee Heidenreich. The results obtained and subsequent negotiations arising have been reliably reported to be as follows:

Large Tonnage Indicated

About 5,000 ft. of diamond drilling was done and about 500,000 tons of ore blocked out. It is believed that this work has indicated, and will make it possible to prove, about 4,500,000 tons. Of this amount, about 3,000,000 tons will be on the Sherritt-Madole ground, and the other 1,500,000 on adjoining claims which have been purchased or staked for his principals by Mr. Heidenreich.

The oreshoots are about three-fourths of a mile long and 10 or 11 ft. wide. The average value of the commercial ore is 2.86 per cent. copper, 3.3 per cent. zinc, and less than a dollar in combined gold and silver. These values are decidedly less than those given by H. P. Prather in an article in the Engineering and Mining Journal of Dec. 4, 1926. This ore is worth almost the same as the ore of the Flin Flon, but its net value is somewhat less.

Wait on Whitney

The ore was too low in value to make an independent mine so far away from world markets. To make a possible undertaking of the Sherritt property, important concessions were needed from the Whitney interests, who were to build a power plant on the Churchill and reduction plants at Flin Flon, if their present experimental work up there should prove successful. To enable the Nipissing interests to get these necessary concessions, it was necessary to make certain concessions to the Whitney interests, which were willingly made, but it also necessitated that Sherritt and a middle man, Mr. Gordon, make small concessions in their terms to the Nipissing interests. For example, the Whitney people were spending about $800,000 in experimental work on an ore almost identical with that on the Sherritt-Madole, and the Nipissing interests felt that they should not be compelled to duplicate this expenditure and, therefore, wanted to be able to delay the development of the Sherritt property about two years behind the development of the Flin Flon. To make a reasonable success of the property, mutual co-operation on the part of all concerned was necessary. With Mr. Sherritt it seems there was no difficulty, but it is said that Mr. Gordon and his Toronto associates had formed definite opinions as to the property's value and refused to consider any modifications.

Dropped the Option

Under these conditions the Nipissing interests could not go ahead, and so turned their options back to the Sherritt-Madole owners, retaining, however, the adjoining claims which they had acquired and which contain one-third of the present indicated ore reserves and probably one-half the total ore of the combined properties.

Most mines are generally not quite as good as they look in their preliminary stage of development, but prove to yield a little more ore than one had expected, and it is thought that this will prove to be the fact with the Sherritt property. The Nipissing interests could not figure an interesting profit in the Sherritt property and their own claims combined, except with concessions, and it is not thought that the Gordons now, with only two-thirds of the property and no chance of obtaining the concessions which the other party had obtained, can do any better.

The Nipissing interests, it is said, are standing pat, not particularly interested, but willing to negotiate whenever the Gordons come to their way of thinking. It is reported that the Gordons expect to drill this winter. Under the circumstances this is doubtless agreeable to the Nipissing interests, who would just as soon have them take that chance as to take it themselves.

KIRKLAND GOLD PRODUCTION

Kirkland Lake's December production has been estimated at slightly over $50,000. November was $42,500.

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Ostrom Gold's Plant Now a Property

Ostrom Gold Mines, Boston Creek, is making steady progress in the erection of its new camps. Cement foundations for compressor and boilers have been laid and it is hoped to start installation of machinery in about three weeks' time. Compressor and hoisting equipment is now being hauled into property. The compressor is a fire drill one and capable of sinking to a depth of one thousand feet. The hoisting equipment is capable of going to same depth. Two hundred and fifty cords of wood have already been cut and wood-cutting will be continued all winter. Manager S. E. Silvester is putting forth every effort to have sinking operations start early in February.

CONROYAL HAS NEW PLANT READY; DEEPENING SHAFT

Complete New Equipment Installed Following Amalgamation of Groups

Conroyal Mines, the new organization which took over assets of Kirk Gold and the adjoining Oswego Mines, in Lebel Township, Kirkland Lake, has been making excellent progress. For some time the company has been setting the stage for a much larger operation than was carried on at Kirk Gold and just recently this effort has started.

Following the amalgamation, steps were taken to install a new plant. This included a new hoist, capable of going to 1,500 ft. and a six drill compressor and a new steel sharpening plant. Besides a new head frame, the company erected a large concrete bunk house, two-story, 80 ft. long, and enlarged the power house. The company is still using steam, but the new plant is convertible into an electric with little effort. The company also purchased 12 new side dump cars which are equipped for electric haulage when that is required.

The exploratory effort which is being put forth is to follow up successful diamond drill results encountered by Kirk Gold. That company sank a shaft 300 ft. and did about 1,600 ft. of lateral work. While this was going on a new break was discovered on surface showing a width of 10 ft. It was 40 ft. wide where cut by the drill at 200 ft. and 50 ft. wide at 300 ft. It carried good values in the hanging wall all the way and 2½ ft. at 300 ft. showed $35 values. The company is now carrying the shaft down to 550 ft. and will cut a station at 425 ft. It is the intention of the company to carry on the 300 ft. level crosscut south to tap the ore body. It is now in 112 ft. and the ore is 392 ft. from the shaft on this level and 430 ft. on the 500 ft., at which horizon it will also be cut. Hugh Jardine, formerly of Teck Hughes, is in charge of the operation which is well financed.

MARKET VALUES HOLLINGER MINE AT $103,320,000

(Continued from page 17)

3 touched $1.55. The market valuation thus jumped from $500,000 to $3,100,000. Amulet on Dec. 3 sold at $1.30, a market valuation of $2,600,000, and on Jan. 3 at $2.95, a market valuation on the venture of $5,900,000. These figures show an increase of over five times in Area and better than twice in Amulet.

Some valuation figures of a year ago and at present for comparison purposes follows:

	Jan., 1926	Jan. 1, 1927
Hollinger	$85,608,000	$103,320,000
McIntyre	18,354,000	20,748,000
Dome	16,206,678	9,533,340
Lake Shore	19,400,000	32,000,000
W. Hargreaves	21,862,500	27,500,000
T. Hughes	13,429,360	26,109,292
Nipissing	8,400,000	10,800,000
Noranda	26,970,000	41,760,000

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VOLUME OF TRADING IN QUEBEC ISSUES HOLDING STEADILY

(Continued from page 17)

price of this stock was around 35 cents and so it is doubtful if the underwriters let much stock go during the period that it sold below that, down to 22. If such is the case there would not be a tremendous amount of stock on the market and unless shares are being marketed in a large way in the present market, the accumulation or buying now going on may soon clean up the stock available around these prices. The buying of late has been very heavy.

Duprat has eased back a little in keeping with the other stocks. It is announced that the company is going to expand its operations and has secured an attractive 500 acre group in Montbray near Nipissing and Quebec prospectors. This is looked upon as an important section.

Aconda shares are not listed at the time of writing but are likely to be soon. This is the company that is reported to have encountered spectacular platinum showings in Boischatel.

Corona shares have met with a favorable reception. This company is located in that very attractive Boischatel-Rouyn corner with Ribago, U. S. Smelters, Vickers, etc., with Area and Amulet just to the east and north.

Another Listing

Boischatel Mines is another important new comer that application to list has been made and which is stated officially to have a good treasury to go to work with. Jas. Houston, Haileybury, is consulting engineer on this operation as well as on Corona and Duprat and Duprat Syndicate.

Grover Daley market has come to life and shares of Stadacona have been listed and are selling above 50 cents. The company is said to have several hundred thousand in its treasury and some excellent showings.

Towagamac shareholders are getting their first profit, in rights to take up additional shares at $3.50. The shares have been selling around $5.70. It would seem that the new offering will likely be on a basis of one new for eight or ten old. As the original shares were sold to the public at $1.50 those who have held on to their shares have a nice profit.

Noranda shares have experienced a lull of late but there is a steady accumulation going on. There are those who declare the stock selling too high but there are a lot of wise birds adding to their holdings just the same. The stock may sell lower, but again it may not. There is no stringency of money and seemingly no break in New York in sight, and these would seem to be the only two factors that could bring about an important change in the Noranda market.

New Ontario Highs

Turning to the Ontario issues, one finds Hollinger Lake Shore and Wright Hargreaves selling at new highs for all time. There is no special significance to this rise other than pure accumulation. There has been some good news about Kirkland Lake Gold. It is understood that some excellent results have been encountered on the 2,300-ft. level in the west drift. The actual position of this and its possible importance to Macassa, is not known to the writer. Tough Oakes Burnside is said to be expecting important things from the winze which is being sunk to the 1,500-ft. level where it is expected that something better will be encountered in the south vein system.

Vipond and Teck Hughes have situation. Nipissing has held up fairly shown consistent strength and the former has sold up a little from the recent level of around $1.68. Dome has been weak around $10 and McIntyre sold up to $26.

The majority of the silvers have been weak. It is believed that neglect has a lot to do with this. Most people are scarey these days of the silver market, the fact that it is difficult to get any real authentic information on the outlook having aggravated the situation. Nipissing has held up fairly well as the price established when the important news of Quebec discoveries came out. Castle and Keeley are holding fairly well.

"What to Buy"
January 1927 Edition

On November 1st, in our "What to Buy" Bulletin, we recommended the following stocks:

TECK HUGHES
AREA
MACASSA
NORANDA
McINTYRE
NIPISSING
AMULET
LAVAL-QUEBEC
INTER-NICKEL
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DUPRAT

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ORGANIZATION

The Company is the result of the consolidation of all of the properties of R. C. Gamble and Associates, comprising some 10,000 acres, with many good showings, located in ten different groups in the Townships of Rouyn, Boischatel and Duprat, that have been under control of Mr. Gamble for several years.

Important discoveries of Gold, Copper and Zinc have been made on several of the properties, and it is the intention of the company to start active mining operations in the large group in Rouyn Township known as the Gamble Bathurst property, on which recent attractive discoveries of gold ores have been made and comprehensive prospecting will be carried on assisted by the use of the magnetic survey on five of the other properties, where good copper gold surface showings have been found.

MANAGEMENT

The management of the Company is in capable hands, and the directors are fortunate in having as its consulting engineer one of the most eminent copper-gold geologists in the world.

This issue of 1,000,000 shares is offered for the purpose of providing funds to do the work planned immediately, and it is the intention of the management to keep the shareholders fully posted as to progress of development.

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ROYALITE 4 OIL WELL IS STILL AN UNTAMED MYSTERY

How Long Well Will Go On No One Knows, Says Imperial

Some interesting facts in regard to the hunt for oil in Alberta are contained in the latest edition of Imperial Oil Review, the house organ of the big oil company. Interesting points in regard to Royalite 4 well are brought out. One is in regard to the point that the flow of the well is increasing. Imperial says the apparent gain in production is not an actual gain in well capacity at all, but rather in efficiency of recovery. It says the actual production capacity of the well is probably about the same this year as last, although of that no one can be certain as it has never been possible to either close the well in or open it to its full capacity. It adds:

And by the same token there is no way of making even an approximate estimate of how long No. 4 will last. It has flowed for two years now without apparent diminution. For all any of the surface indications can be relied upon to show, it might go along flowing at the same rate for years. Yet there must be depletion of the underlying strata upon a very large scale. O. B. Hopkins, chief geologist for the Imperial Oil, will produce for you very convincing figures to show that, allowing a 20 per porosity—which is undoubtedly a maximum—and allowing 100 feet thickness of strata—which again appears a maximum—Royalite No. 4 already must have taken a cubical quantity of gas equivalent to that which would have been contained in a sub-surface area of 85 acres. Of course, this deduced area expands and contracts like an accordion just in accordance with the assumed pressure. In this estimate the rock pressure was assumed to be 3,000 pounds per square inch—a pressure which is seldom met with in the oil fields of the world.

Still Untamed

But at any rate it is manifest that the limitation must be reached some day to the circumference which this, as any other well, gas or oil or both, can drain, and when that limit has been reached the well will naturally shut off. With Royalite it might happen to-morrow, and, again, it might not happen for a long time. Nobody knows.

Royalite No. 4 is still the untamed mystery.

Another anomaly in connection with No. 4 is that while the statistics indicate it as the source of more than half the oil of Canada, it is, as a matter of fact, producing no "oil" whatever. The product is not "oil" in the current or trade sense of the term, but naphtha. As it is recovered from the 17,000,000 feet of gas that flows steadily from the well, the product runs 73 degrees Beaume, or just about 15 degrees lighter than the common or street-pump variety of gasoline. In the language of the field, it is "wild," and must be tamed down by the admixture of heavier gasolines before it is fit for use in any standard make of automobile engine.

Two Ontabec Groups Looking Attractive

Ontabec Mines officials say they should participate in at least two distinct mines in Rouyn. Ontabec Group No. 7, now known as part of the Harvie Exploration Company, Ltd., Clericy Tp., consisting of 280 acres, is revealing remarkable showings.

The second situation is Group No. 5, 600 acres adjoining Amulet "B" and North of Noranda. Assays from this property run 22 per cent. copper, and trenching at various places along a strike of 300 feet show exceptionally good copper-gold values.

This particular group will either be operated by a leading U. S. mining engineer and geologist, backed by New York interests, or a subsidiary company will be formed to mine these rich claims, with Ontabec as a holding company.

In addition to the two mining situations referred to above, seven other large tracts of mining land are being developed and good reports continue to trickle in from the various groups.

Corona Will Try for Ribago Find Extension

With $110,000 available for development, the opening up of Corona Mines is to take the form of an aggressive campaign. That part of the group which adjoins the ground on which such rich discoveries were recently made by Ribago Copper Corporation is to receive attention at the outset. Trenching crews will explore the surface in quest of similar deposits as those which have been found only a short way from Corona boundary.

Ankerite Mill Now Handling 155 Tons

Ankerite Mines, Porcupine, producing four months, is now handling 155 tons per day with an average grade of about $7.25 per ton which brings production to the neighborhood of $33,000 per month. Actual tonnage in November was 4,668 tons with production of about $33,275. Both tonnage and production figures are slowly but steadily mounting.

MANY FACTORS IN BAR SILVER MARKET

Predictors of Lower Prices May Have Lost Sight of Important Features

A very concise summing up of the world's silver situation was given by Balmer Neilly, M.E., treasurer of McIntyre Mines, in Toronto Globe's annual review. He says that in sizing up the situation generally, those who predict a falling market must base their opinion to a certain extent, at any rate, upon the following facts:

1. Many countries have substituted nickel and other base metals for coinage that was previously sterling silver.
2. World production is increasing.
3. Eastern countries are more and more inclined to adopt the gold standard and to reduce, if not actually eliminate, their stocks of silver.

On the other hand, those who take a more hopeful view of this question point out:

1. That the people of India, with no knowledge of, or experience in, banking facilities, will just naturally continue to hoard silver by secreting it in the mud-walls of their houses. For this purpose paper is useless, copper too bulky, and gold is generally beyond their resources.
2. That, with the development of China and India in a commercial way, more and more silver must find its way into their hoarded reserves, until at least that time when ordinary means of credit will be provided and understood.
3. That with the termination of hostilities in China much of the Chinese silver now reported in stock will be found earmarked for return to the interior, and that China under conditions of peace will continue to purchase in large and ever-increased quantities.

As to which set of conditions will finally prevail upon the silver market, moving it up or down as the case may be, is left to the reader to decide. One guess is perhaps as good as the other.

(Note: As to the report of the Royal Commission on Indian Currency and Finance, the writer has quoted freely from the September, 1926, bulletin of the National City Bank, New York. N. Y.)

Mineral Output Beats Old Mark by $15,000,000

Canada's mineral industries yielded a new record output in 1926, when the value of production reached $242,886,000, an advance of 7.1 per cent. above the total of $226,583,333 reported for 1925, according to the official estimate compiled by S. J. Cook, chief of the mining, metallurgical and chemical branch of the Dominion Bureau of Statistics at Ottawa, and published in a preliminary report issued by the bureau to-day. The previous high record of $227,859,665 was established in 1920.

Metal mining showed great strength and steadiness throughout the year. Production of copper, lead and zinc reached new records; the output of silver was higher than in 1925; gold was steady, nickel production was only slightly less than in the previous year.

Non-metallics Up

Non-metallic minerals, other than coal, at a value of $24,841,000, were up 10 per cent. from the total in 1925. Asbestos mines had a very profitable year, due largely to the formation of the merger company, and possibly due to the better feeling now existing among the many asbestos firms. While the output tonnage was slightly below the total for 1925, the value of sales showed a very considerable advance. Gypsum production was up, a large part of the output still going to the export trade. The output of natural gas was greater than in 1925, and the aggregate value was higher. Crude petroleum showed some improvement, as did also the output of salt, talc and soapstone, feldspar, graphite, magnesite, pyrites and sodium sulphate. Production of sodium carbonate, mineral waters, iron oxides, grindstones, barytes and bituminous sands, was well maintained.

The "H's" Have It?

Is There a Lucky Letter in Mining Nomenclature?

By ROGER ARNOLD.

Suppose you noticed on one of our big bank buildings a sign reading:

Hollinger, Horne and Howey
Barristers, Solicitors, etc.

How would it strike you?

Perhaps you would say, "Well, there's alliteration in that line-up and the soft vowel ending gives a good swing to the title."

But how would it strike you if you followed the mines?

"Oh, I see . . . well, I'd say the first-named has proven his case in court, the second-named almost has the verdict, and the third-named is now before the bar." All of which leads us back to our heading: Is there a lucky letter or combination of letters in mining parlance? Is "H" that lucky letter and "O" its concomitant?

It would be pretty hard to find a man who denied Hollinger's achievement in the mining world. Canada's greatest . . . . and one of the world's greatest "Gold Minds" . . . . that title seems indisputable. Here, then, is "H" No. 1.

So many authorities agree on the colossal copper deposits contained in that area of Rouyn, Quebec, known as the Horne Mine of Noranda, that a doubting Thomas is in about the same position as the bozo who maintains the world is square. A few more months and we should know all and sundry about "H" No. 2.

It was while turning over in our minds, about this time last year, some striking analogies between the Hollinger and Timmins at the psychological moment—Horne—such as the incoming of Mr. Noah that hunchlike we lit on, first, the "H" and then the "O" in the two names and wondered if there was anything to it in the way of a good omen.

Chancing to run into one of the hard-headed brigade who believes in nothing but inside information, we sounded him out on our new theory.

"Say, Boy, you've been eating too much watermelon; that's nigger horse dope!"

Here, in the snappy days of winter, was a rude setback to a new hunch; and, after this crusher, we were on the eve of kissing it a fond good-bye when, bla! bla! like a cyclone the daily papers were churning up the air, on their front pages, about a wonderful new gold strike—Red Lake.

Scarcely had we got the general name of the new field into our system when lo! what is the name of the mine itself back of all the excitement—"Howey—H-o-w-e-y.

Can you imagine how we felt! Here was our "HO." Hollinger. Here was our "HO." Horne, and now before our very eyes was an "HO." Howey?

Of course, at this stage you are probably saying "yea! brother, the dope's wonderful until you walk into the cancellation of that Dome option. Then it's a case of 'DO' turning into 'HO' into 'Oh!'"

Very true, my lad, very true, but didn't Hollinger have its O'Brien; didn't Horne have its futile hunt for gold before Chadbourne and Thomson got properly set on the copper combination idea?

See, then, that Howey is not alone in walking into a punch in its embryo days, the "HO" must stand for "Hang On" and you'll go over big. That's just what Hollinger and Horne did and what Howey is doing right now.

Whether or not Mr. John E. Hammell, who controls the destiny of Howey Gold Mines, is personally fatalistic relative to this "H" and "O" theory, certain it is that he consciously or unconsciously has continued to make history in the affimmative. Wonder if Mr. Hammell believes that destiny is on his side pointing to big things for Howey because it's fated by its very name to make good.

Well, anyway, we have the "H" in Hammell to start with; next we have the Harker Mine—which Lorne Howey is also credited with discovering, and which Mr. Hammell controls; then we have the somewhat amazing fact unknown to most people that "Flin Flon" was only a chance title from a Chinese story conferred on the big Manitoba property at the last minute—Mr. Hammell's selection, i.e., one that he had at least turned over in his mind as favorable, was a derivative of the words Henry and Hudson—after the great explorer—"Hosenud." Will you not admit that "Hosenud," apart altogether from the halo of "H O" cast over it, was a good name for a mine, not as easy to say or as easy to remember as Hollinger, Horne, or Howey, but vastly superior to scores of names now on the exchange.

Probably at this stage of our story you are asking:

"Ho-w do you get that way?"

Be patient! One more contribution to the "H" theory and we are through: if yours truly is ever invited by Mr. Hammell to christen a mine we'll prove quickly what we think of the Hollinger-Horne-Howey sure-to-win dope by clapping this one on to the ticker:

HO HUM

The "Ho" for good luck; the "Hum" for good management.

MINING STOCK QUOTATIONS
Week Ending January 4

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Jan. 4 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	$1	...	...	2.98	2.44	2.50	369360	1.50	.85	2.98	.90
Algonquin	1	...	...	5¼	3	3¼	25000	3	1	6¼	1¼
Apex	1	...	...	2½	2½	2½	100	3¾	2	6	3
Area	1	...	...	1.55	1.13	1.27	591825	..	..	1.55	.21
Argo. Con.	1	...	...	56	49½	54	173700	48	11	67	18½
Atlas	1	...	...	2½	2	2	19000	5¼	¼	5	1⅝
Baldwin	1	...	...	4⅝	3½	3¼	172600	7	1⅛	6⅛	1
Barry Holl.	1	...	...	87	84	86½	79495	.50	.18	1.00	.22
Beaver	1	...	...	75	52	74	83050	57	25	99	51
Bellellen L.	1	...		20½	20	20½	3500	..	..	23½	20
Bidgood	1	...	...	9⅝	8	9⅝	56500	16¼	4¼	9⅝	4½
Boston Creek	1	...	...	....	..	..	...	9½	4½	7½	2½
Bourlamaque	.	...	...	1.45	1.43	1.44	26100	..	..	1.45	1.02
Buckingham	1	...	...	7¾	5	6½	90000	5¾	2¼	7¾	2
Can. Lorrain	1	...	...	59	57	57	37800	80	22	93	57
Capitol	1	...	...	26½	24	26	30200	38	24	48½	24
Castle Tre.	1	...	...	1.09	1.02	1.08	53600	1.60	.71	1.85	.91
Chaput H.	1	...	...	8½	4½	7½	111200	10	4	22	3⅛
Clifton	1	...	...	1½	1½	1½	6000	26	2	6½	1
Coniagas	5	...	...	4.40	4.25	4.40	1800	5.00	1.25	4.80	3.00
Coniaurum	5	...	...	3.25	3.10	3.10	1880	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2	2	33000	10½	2	25	2
Cons. Smelter	25	10	...	260	251	251	3998	183½	48½	265	177¼
C. W. Dome	1	...	...	19	16½	17¼	192533	25	10½	29½	14
Crown Res.	1	...	...	11¾	9¼	11	88150	55	15	24¾	8
Corona	1	...	...	37½	32	32	409450	..	..	37½	20
Destor	.	...	...	41	40	41	1400	..	..	41	40
Davidson	1	...	...	2¼	2¼	2¼	2000	5	1¼	3	1½
Dome Mines	None	$2.00	...	11.30	10.00	10.70	7157	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	56½	53	54	144135	..	..	61	25
Duprat	1	...	...	35	30	30	634400	..	..	35½	10
Fiske	.	...	...	14½	12½	13½	1800	..	..	16	12
Everett	1	...	...	3¾	3¾	3¾	4500	10	4	12¼	3¾
Goldale	1	...	...	30	27½	29	48200	37	14¾	43	24
Gold Hill	1	...	...	54	47	52	144057	..	..	73½	25
Gold Reef.	1	...	...	1½	1½	1½	2000	2½	1	5	1
Grover Daley	.	...	...	34	22	28	1136950	..	..	32	22
Hill Top	1	...	...	24	23	23	19800	..	..	31¾	20
Hollinger	5	26	...	21.00	19.80	20.50	11106	17.50	13.30	21.00	16.65
Indian	1	...	...	4	4	4	100	17¾	3½	14½	3¾
Inspiration	1	...	...	....	..	..	...	10	7	8	7
Int. Nickel, c.	None	$2.00	...	39¼	38	38⅞	5307	48⅝	24¼	46	33
Jay Copper	.	...	...	1.15	1.09	1.14	24500	..	..	1.10	.73
Keeley	1	24	...	1.55	1.51	1.52	15575	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	12½	11	12	18300	15⅞	8½	22	11
Kirk. Hunt.	1	...	...	32	28	30	180700	..	..	34	8½
Kirk. Lake	1	...	...	1.00	71	93	292800	.92½	.33	1.44	.69
Kerr Lake	4	25c	...	....	..	..	...	1.55	.50	.90	.90
Lake Shore	1	40	...	16.15	14.55	15.75	16205	10.00	4.51	16.15	9.60
Lakeside Lor.	1	...	...	4	3	4	65500	15¾	2½	10	1⅛
Laval	1	...	...	47	40½	43½	969075	..	..	45¾	21
La Rose	1	...	...	13	10	10	12200	53	7½	39	4
Lorrain	1	...	...	2¾	2½	2¾	8600	24	7	15	2
Lorrain T. L.	1	...	...	40	40	40	100	1.34	.85	1.10	.30
Marclay	1	...	...	35¼	34	34¾	13000	..	..	35	30
Macassa	1	...	...	32	30½	31	37650	..	..	43	25
McKinley	1	...	...	14	11½	11½	12200	42½	14½	26	8½
McIntyre	5	20	...	26.00	25.00	25.65	10853	22.70	16.00	29.75	22.70
Millcrest	1	...	...	5½	4½	5½	4000	..	..	21	3½
Mining Corp.	5	12½c	...	3.35	3.05	3.10	10845	3.40	2.35	4.45	2.60
Moneta.	1	...	...	13	12	13	3500	18¼	12½	18	11
Montreal Rouyn	1	...	...	33	24	33	10125	..	..	60	13
Noranda	None	...	...	24.10	23.40	23.90	18040	15.50	9.10	24.25	12.00
Newray	1	...	...	....	..	..	...	44	17	45	31
Night Hawk	1	...	...	8½	6	7	46300	49½	6	17	3¾
Nipissing	5	12	...	9.00	8.40	8.40	27705	6.80	4.60	9.25	5.00
Ophir	1	...	...	....	..	..	...	7⅞	3	4¼	1
Osisko	.	...	...	1.80	1.49	1.70	13230	..	..	1.94	1.05
Pete Lake	1	...	...	....	..	..	...	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	15½	12	12	36400	..	..	32	14½
Porc. Crown	1	...	...	11	8½	10½	102000	8	2	12	4
Pioneer	1	...	...	1.08	1.03	1.06	12350	..	..	1.22	.66
Premier Gold	1	32	...	1.93	1.90	1.90	9850	2.58	2.19	2.75	1.83
Preston	1	...	...	6	5	5	14500	12	6½	92	4
N. A. Lead	.	...	...	1.75	1.69	1.74	29300	..	..	1.75	1.50
Rouyn	.	...	...	5	3½	4¼	193900	10	3	9	1⅞
Rouyn, Que.	.	...	...	3	2	2¼	49100	..	..	4½	1¼
South Keora	1	...	...	35¾	30	35¾	68869	26	20	35½	5
Stadacona	1	...	...	51½	49	49½	121050	..	..	51	40
Teck Hughes	1	10	...	5.55	5.22	5.49	88515	3.00	1.23	5.55	2.64
Timiskaming	1	...	...	7½	7	7	950	30	11½	15¼	6
Thomp. Krist	1	...	...	1	1	1	500	3	1	3½	1
Tough Oakes	1	...	...	64	51	57	291000	61	25	65½	36
Towagamac	1	...	...	6.10	4.60	5.25	108715	..	..	6.10	3.15
Vic. Silver	1	...	...	4¾	4½	4½	9000	31	5	9½	3⅛
Vickers	1	...	...	1.25	1.17	1.25	29975	.20½	.3	1.22	.13
Vipond	1	...	...	1.74	1.63	1.73	52969	1.61	1.01	2.02	1.49
Wakenda	1	...	...	....	..	..	...	3½	1	2¾	1
Wasapika	1	...	...	1	1	1	1000	3⅜	1	4	1
West Tree	1	...	...	4	3	4	17900	5	2	4	2
Wettlaufer	1	...	...	3	2½	3	2500	17	3½	10	2
Wigwam	1	...	...	....	..	..	...	..	..	32½	4
Wright Har.	1	37½	...	10.00	9.50	9.70	32073	7.95	4.15	10.00	7.75

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Considerable work has already been done on the properties, and a large diabase dike, carrying high values, has been definitely traced on property. This is the same dike that cuts the Waite-Montgomery property.

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NEW OPERATION ON EAST EXTENSION OF KIRKAND'S BELT

Possibilities of South Break, Recently Emphasized—Arouse Interest

Increasing attention is going to be focussed on the Eastern extension of Kirkland Lake camp. The Financial Post has called attention to this area repeatedly. The area has suffered from the lack of aggresive mining efforts. There has been but one continuous operation in the township since it started, Kirk Gold, now Conroyal. Others less fortunate with their financing have been making strong efforts, however, and the outlook is that Lebel Lode, Queen Lebel, and Pawnee will carry on aggressive work.

The recent report on Tough Oakes Burnside, given at the meeting of Kirkland Proprietary in London has proven very interesting. The opinion was expressed that the South break of the camp, which is the mineralized zone passing through the South part of the T.O.B. or the Burnside part of the property, may prove of greater import to the camp than the so-called main break on which Lake Shore, Wright Hargreaves, Teck Hughes, Kirkland Lake Gold and Sylvanite are located and which seems to have spent itself when it entered the Tough Oakes section of the T.O.B.

Queen Lebel has been "betting" for some considerable time that the break carried along the South end of Gull Lake and there have been many interesting theories advanced that the main break faulted in the T. O. B. property was carried South. However, indications are that there may be some interesting new developments in the section which may result in the theory in regard to the strike of the mineralized zone being given a thorough testing out. The diamond drilling now being done by Gull Kirkland in Gull Lake is also important.

GRANADA SHARES CARRY AN OPTION

Gamble Gives an Interesting Twist to Company Recently Financed

Those who purchased Granada Rouyn shares from Robert Gamble recently are being notified that they are to have an option on a similar amount of stock at the issue price for 30 days from the time of listing the stock. It is expected that the shares will be listed on the Standard Stock Exchange during the next 30 days.

The financing of this company was rather a sensation, the orders and options put through in one half day taking up the whole million shares. Mr. Gamble is now in Montreal ordering a plant for the company. It will be installed on the Gamble Bathurst group at Pelletier Lake, South of Noranda and adjoining Huronian Belt or Pioneer Mines. There are three important showings on the property and one surface sample which Mr. Gamble brought to Toronto was shot with free gold.

Because of the report of an interesting find on the property of Boischatel Mines in N. W. Boischatel, it is the intention of Mr. Gamble to do some work on Granada's group adjoining, as soon as possible.

Getting Good Results in Opening Cane Silver

Minerals Finance Syndicate, which recently acquired operating control of the Cane Silver Mines, Ltd., reports developments proceeding in a satisfactory manner. All veins opened up so far are in the diabase. This is a similar condition to that pertaining in the Gowganda field. The contact is at the surface, which simplifies mining operations to a considerable degree. Every fracture opened up gives assays of silver. Eight veins have been developed, the distance between No. 1 and No. 8 veins being about 3,000 feet. Results of careful sampling of these veins give satisfactory assays.

Higher Values Encountered Opening Up C. W. Dome

Consolidated West Dome report says: 1002c stope assays are very good. The 692b stope proved up good. The seven hundred tons of ore taken out run from $25 to $30. The vein at this point 4 ft. wide averaged $36. The stope on the 1,050 foot level averaging over $10.

Macassa Will Sink New Shaft in Spring

Macassa is pushing a long crosscut to the west on the 500 ft. level. About 950 ft. of work has already been done on this level. A couple of strong veins have been explored in a limited way, but the company will get its real operation under way in the spring when it will start a new shaft about the centre of the property. The present shaft is in the vicinity of the Kirkland Lake Gold boundary. The operation is in good hands and the experience of the other operators in the camp is being employed to the fullest by Robert Bryce, consulting engineer. Some interesting geological situations are presenting themselves on the property.

New Gold Hill Plant Is Nearly Installed

Gold Hill mines is busy installing its new plant and around the middle of January the switch over from the old to the new mining equipment will take place. It is believed that operations will then be speeded up. The new compressor will allow for using ten drills, and while all these will not be used immediately, there will be a material addition to the working force.

STADACONA ORDERS NEW MINE EQUIPMENT

Company Has Now Substantial Treasury — United Gamble Extends Pool

Shareholders of United Gamble Holdings have ratified the action of the directors in extending the time for the distribution of the Stadacona stock until after April 1, 1927.

Robert C. Gamble, field manager, was present and was very optimistic as to the outlook for mining in general and reports that the work on Stadacona property was showing excellent results. The work is being concentrated on the diabase dike "Noranda ore zone" and preparations are being completed for the placing of the Swedish Electrical machine on this property in the near future. This machine has met with marked success in locating ore bodies and it is anticipated that as a result of its work on Stadacona property that it will produce very satisfactory results.

Mr. Gamble is now in Montreal placing a substantial order for new mining equipment for Stadacona. The company is now fully financed, with a very substantial amount of cash in the treasury.

The Price Syndicate
invites you to consult them before investing in Alberta oil stocks. Member Calgary Stock Exchange.
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29 Melinda St. Toronto 2, Ont. Adelaide 7715
145 St. James St. Montreal, P.Q. Harbour 4935

Three Operations Proposed For Boischatel Mines

Plans are under way to employ the electrical prospecting machine of S. Kelly on Boischatel Mines. The company owns three well located groups. One lies adjacent to Towagamac Mine, and is expected to provide the first important development. A second group lies southeast of Nipissing property held by the Timmins interests. The Timmins property was diamond drilled late in the past Summer, and results were said to be good.

To the man who feels himself drawn into the mining boom

YOU have avoided mining stocks for years; you have perhaps said that you were through with mining stocks for life,—and yet you are being drawn in now, and just because you have kept so far away from mining for all these years you are coming in now in the fulness of ignorance.

I do not understand why no one has ever given voice to the unpalatable but unchallengable truth that those who rush blindly into the mining market to seize a gambler's profit on a movement which their own buying helps to accelerate, are as much to blame for the evils which surround the mining industry as those who engineer the pitfalls.

I have been asked why it is necessary to use advertising space to say things which should be obvious to anyone.

For almost a quarter of a century I have heard voices crying in the wilderness in an effort to give the mining industry of Canada the honoured place it deserves. The number of voices has increased greatly in recent years. I have talked to engineers and newspapermen, geologists and brokers, mine managers and prospectors, who all voiced the same opinion that the vital need of the industry is an enlightened public opinion,—a great body of investors who, understanding some of the simple but essential elements of a mining enterprise, would provide a strong and stable source of the capital required to develop the mineral resources of this country. But these voices are not always heard.

Everything which tends to prevent such a development is an injury to legitimate mining, and I believe that the greatest subversive influence is the public attitude which scorns mining until a boom comes along and then moves thousands of people to throw their money blindly into anything which seems to hold promise of a few points' rise on the stock ticker.

One does not need to go outside of the city of Montreal to realize how completely the achievements of one of the most wonderful mining areas this or any other country has ever developed have been obscured because thousands of people eagerly acquired quantities of worthless paper when the boom was on.

Doesn't such a situation justify a few plain spoken words?

Boom days have come again and it is my belief that 1927 will leave an impress on the mining industry of Canada which will last for a generation. The mining industry of Canada is now probably too strong to be damaged by the ups and downs of public opinion, but 1927 must not be remembered as a year which has blackened the industry in the public mind.

If even half of the money which will be invested in mining stocks this year could find its way into legitimate enterprises Canada would need no outside help in financing its own mining future, and the vast wealth which will flow out of the north in the next quarter of a century would go into Canadian pockets.

And so I say to you,—the man who is being drawn into the 1927 boom,—that the opportunity you have waited all these years for will not pass you by because you take a week or two to investigate, and apply ordinary business judgment to the selection of your place for participation.

There are a number of sources of information which do not readily suggest themselves to the average man, but from which fair and honest opinions can be drawn. Everyone connected with the mining industry is being asked for opinions on this or that stock, and to such enquirers I invariably say, "If you want to know how a stock is going to act on the market on any given day I cannot undertake to advise you, but if you are seriously seeking an opportunity to invest in some mining enterprise which possesses the essential elements of success I can give you a few simple pointers and perhaps put you in touch with several enterprises in various parts of the country which appear to hold brilliant promise. After that, however, you must decide for yourself."

Robert Harvie *President*
Harvie Mining Exploration Company, Limited

Canada Cement Building
Montreal, January 5th, 1927

Dr. Harvie recently prepared for some of his friends a few notes on the subject of mining investment. These have now been published in the form of a booklet entitled "Points for serious consideration in mining investment." A copy will be gladly sent on request.

JAY COPPER-GOLD MINES
LIMITED
(NO PERSONAL LIABILITY)
The work on this property has proved it beyond the critical stage, Arrangements being made to ship Ore at once to the Smelter.
Write for Particulars
It is to your Advantage.
Francis J. Hunter & Co.
Limited
MEZZANINE FLOOR - MOUNT ROYAL HOTEL
MONTREAL

Iron and Steel

DOMINION COAL AFTER BIG BASIN 100,000,000 TONS

Company Seeks to Buy Mining Area From English Syndicate

From Our Own Correspondent.

SYDNEY.—The year 1927 is starting out well with evidence of continued activity in coal and steel and expansion of other Nova Scotia industries.

Sydney steel mills have orders for rails sufficient to keep them going until well into the spring.

The coal mines, having shipped 2,500,000 tons of coal up the St. Lawrence have still 200,000 to ship via Louisburg and Portland, and to Montreal. In addition there are large shipments to be made to British ports.

At Christmas week the Springhill men employed by the Cumberland Railway and Coal Company (Besco subsidiary) received $29,000, their largest weekly pay roll of the year.

Another Christmas Bonus

At the same time the independent operators who own the Inter-colonial mine at Westville were paying their 600 men a Christmas bonus of $3,000, with further payments to be made later, according to a local bonus percentage arrangement made between the miners and General Manager William Maxwell.

Eastern Car Works, New Glasgow, are getting off to a good start, with an initial order for 100 coal cars for Besco.

A new shaft is being sunk at Port Hood to tap a valuable coal seam.

The Atlantic Gypsum Products Company, of Boston, a recent merger of a number of independent gypsum and plaster concerns along the Atlantic seaboard is already making its influence felt in widely separated parts of Nova Scotia.

Order for Avon River Power

At Walton, near Windsor, it is scrapping the present quarry machinery and substituting electrical equipment, for which power is to be transmitted from the Avon River Power Company's plant at Avon Falls.

The contract for the 22,000-volt transmission line has been let, and it is to be complete by March 15. Enlargement of the plant will result in a larger quarry staff and more employment at Walton.

The Atlantic merger has also acquired from C. W. K. McCurdy, of Baddeck, extensive gypsum deposits at Cape North, C. B. In conjunction with the proposed development there, the federal government is building a 1,100-foot breakwater to protect the entrance to Cape North harbor. Seven hundred feet of this has already been constructed; the rest will be built next summer.

The merger is also reported to be after extensive gypsum quarries at Cheticamp, C. B.

After Big Coal Seam

The Dominion Coal Company is negotiating with an English syndicate for the famous Broughton coal basin located about ten miles from Sydney, and containing 100,000,000 tons of excellent coal, according to the calculations of mining engineers. This field has not been worked for a great many years and the owners are holding out for a price considered too high, but there is little doubt that eventually they will sell out to Dominion Coal, and it is said that this is very likely to happen in the near future, in which case important developments may be expected during the coming year.

Again Refuse Receiver For N.S. Steel Plants

Second attempt to have a receiver appointed for Nova Scotia Steel and Coal Co. failed when Supreme Court of Nova Scotia dismissed appeal against lower court decision refusing receivership. Eastern Trust Company, acting for bondholders, made application.

Judgment recites that the ground of the appeal is that the plaintiff's security is being jeopardized by reason of the mortgaged premises being left in the hands of its present management in such a way as to justify the interference of the court by taking the property out of the hands of such management and placing it in the hands of a receiver and manager. This request had been refused by a lower court. It summarizes the charge of N. S. Steel investors that their plants are gradually being abandoned by Besco, at Sydney, putting N. S. bond and debenture holders in peril. In defence, much of this was denied and it was stated that the manufacturing situation was the result of trade conditions; that the financial situation of the company was improving; that expenditures and improvements in its mines compensated for depreciation and depletion at the steel plants; and that the aggregate of assets had not been reduced.

The application for receivership was denied by the Supreme Court on the ground that these conflicting claims needed more extensive study before action should be taken.

"Car" Reparation Claims Still in Distant Future

From Our Own Correspondent.

MONTREAL.—Coincident with the strength in the shares of the Canadian Car and Foundry Company there have arisen rumors regarding the settlement of the company's war reparations claims amounting to some millions of dollars. Should the company be successful in obtaining these reparations for the loss of its U. S. plant during the war, it would naturally have a decided influence in further bettering its already strong financial position. Informed opinion, however, refuses to become excited regarding the possible payment of these claims.

The claims have not yet been admitted by the U. S. reparations board and, even presuming that they be recognized in full, it seems to be generally felt that the actual payment of money to the company is still in the dim and always uncertain future. Thus, those who are purchasing the shares at prevailing levels and who are acquainted with the situation which surrounds the company, are purchasing the stock solely on its improved earning power, coupled with the expectation of much improved sales during 1927. Those who know the situation appear to feel that the possible payment of reparation claims ~~is a~~ factor which should be neglected when estimating the future possibilities of the shares.

Besco Now Employs 2,900 Men at Sydney

Dominion Iron and Steel Plant at Sydney has 2,900 workers on the payroll at present.

Indications point that that number will not be materially decreased during this winter. During the summer of 1926 the company rolled 50,000 tons of rails for the Canadian National Railways, and 25,000 for the Canadian Pacific. The latter was the first order booked from the C. P. R., in eighteen years. Now that old negotiations have been re-established repeat orders from Canadian Pacific are looked for. Besco is at present engaged in rolling 25,000 tons for the C.N.R., and when that is finished 15,000 will be manufactured for the Newfoundland Government railway.

Net production of steel works for year ending September 30, 1926, and corresponding period 1925:

	Gross Tons	Gross Tons
Rails (standard)	92,928	36,509
Blooms and billets	226,347	35,050
Pig iron	262,550	8,274
Bars, etc.	20,097	13,072
Wire rods	39,742	13,514
	Net tons	Net tons
Wire and fence	29,759	15,453
Nails and staples	14,450	10,651
	685,873	132,525

Sulphate of ammonia—1926, 7,789 grs.; tons; 1925, 3,475 grs. tons.

Benzol—1926, 1,303,840 Imp. gals. 1925, 385,066 Imp. gals.

Pay rolls—1926, $3,460,525; 1925, $2,520,284.

These figures indicate a very great expansion in output of the plant as compared with the preceding period.

T. BRADSHAW SEES GOOD YEAR AHEAD

Massey-Harris General Manager Expects Sales Improvement to Gain Momentum

Sales of farm implement companies in Canada in 1926 were about one-third higher than in 1925, states Thomas Bradshaw, general manager, of the Massey-Harris Company.

"During 1926 the industry enjoyed a continuance of the improvement begun in 1925. The demand for all classes of farm implements, from the small hand tools up to the heavy power-driven units, was greater, with the result that sales, both in the domestic and foreign markets, showed a very fair increase over those of the previous year.

"In Canada sales were about one-third greater than a year ago, but if weather conditions had been normal during the growing and harvesting periods, this percentage would have been appreciably higher.

"Export of farm machinery continued to increase during the year, notwithstanding keen local competition, the handicap due to unstable currency and troublesome tariff barriers. Australia, for example, has a tariff protecting her important implement industry ranging as high as 45 per cent., and, while that field in days gone by was an important and profitable one, it is becoming steadily and increasingly more difficult for outside companies to compete in it.

"One regrettable feature is the continued heavy import into Canada of farm machinery, which should, and could under different arrangements, be manufactured in Canada. The import figures for the past twelve months exceeded $17,000,000. The utilization of Canadian materials and the employment of Canadian labor which would be necessary if the implements represented by this vast sum were manufactured in Canada would be most helpful in building up and extending Canadian industry, and would also be an important factor in assisting to solve some of our national economic problems.

"Plants on the average throughout the year were well occupied. In certain periods some of them maintained almost maximum production. At the present time they are especially busy."

Mr. Bradshaw expects the improvement in business to gain momentum in 1927. The Massey-Harris head's reference to the Australian tariff is particularly interesting in view of his contemplated early visit to the island commonwealth.

Car Companies Had Little Better Year

Railway equipment manufacturers fared but little better in 1926 than in any of the several preceding years, Robert J. Magor, chairman and president of the National Steel Car Corporation, states.

"Car purchases," says Mr. Magor, "have been limited to passenger equipment and several types of freight equipment. such as refrigerator cars, coal cars, flat cars, etc.; no grain-carrying cars or equipment for the transportation of general merchandise, etc., having been purchased. This has undoubtedly been due to the marked increase in efficiency of the railroads in the transportation of greater tonnage with fewer cars, and I would assume that the improved earning position of the railways has been partly due to this condition.

"The intensive use of this equipment however, particularly the cars that are a number of years old, is obviously hastening the time when they will have to be replaced, and when this time arrives the equipment companies should be enabled to operate on a more continuous basis than has been possible in the past."

Good Outlook for Cotton Textile Mills in 1927

When the Canadian cotton mills publish their next annual statement, it will probably be found that there will be a wide variation in the results achieved, says A. O. Dawson, managing director of Canadian Cottons. Such mills as are equipped to supply goods called for by the prevailing fashions will find it possible to make their usual favorable showing, while the mills making staples only, because of particularly severe competition, will find it difficult to produce results equal to former years.

On the whole, the Canadian cotton mills have had during the year 1926 a more favorable experience than the cotton mills in the United States.

The outlook for the cotton trade of 1927 is hopeful. Stocks throughout the country are exceedingly small, and it is natural to expect that the low prices prevailing for cotton goods will stimulate their use. The probability is that very little short-time running will have to be resorted to during the year 1927.

BESCO OFFICIAL SAYS 1926 MUCH BETTER THAN 1925

Big Coal Shipments Helped Corporation—Steel Future in Doubt

J. E. McLurg, vice-president, British Empire Steel Corporation, in a review of the 1926 operations of the corporation declares that the associated coal and steel industry of Nova Scotia during 1926 operated under conditions materially improved from those of 1925, which were adversely affected by the protracted strike at the coal mines.

In a statement to the Morning Chronicle, Halifax, Mr. McLurg says: "The demand for coal throughout eastern North America was stimulated by the strike of the coal miners in Great Britain. While the coal shortage in Britain reduced the iron and steel products of that country, it has not stimulated the steel manufacture in Nova Scotia. On the contrary, the competition of steel products exported from continental Europe has been intensified by continued depreciation of currencies and by the failure of the federal government to take any steps to redress the situation which encourages the importation of steel products into Canada to the displacing of Canadian manufactures.

Future of Steel

"It is difficult to forecast the immediate future of the steel industry in Nova Scotia. The Dominion Iron and Steel Company, Limited, since the 2nd of July, has been in the hands of the National Trust Company as receivers for the bondholders. Although the plant at Sydney has been continued in operation by the receivers, it has not yet been demonstrated that the operation can continue. Since February the Sydney plant has been able to operate only on 60 per cent. of capacity and the plant of the Nova Scotia Steel and Coal Company, Limited, at Trenton, has operated at only 30 per cent. of capacity. The large plant at Sydney Mines has been idle since 1920.

"The pending application before the courts in Nova Scotia for the receivership for the Nova Scotia Steel and Coal Company, Limited, is a matter of common knowledge.

Serious Plight

"These conditions sufficiently indicate the serious plight of the steel industry in Nova Scotia. It goes without saying that the situation is one of very grave possibilities of disaster to the people of the provinces, but it is perhaps not so generally realized that the failure of the steel industry of Nova Scotia to survive would deprive Canada of the only native source of the raw materials of the iron and steel industry within the borders of the Dominion.

"The industry was commenced more than twenty-five years ago, with state aid, for the express purpose of providing a Canadian source of iron and steel. The conditions that suggested the choice of Nova Scotia for this purpose were the juxtaposition of coal and iron ore, which does not elsewhere exist in Canada. The failure of the steel industry in Nova Scotia, therefore, will be a confession of Canada's inability to own and operate a native steel industry.

"The representations of the steel companies have been before the government for a very long time, and are corroborated and supported by the recently issued report of the royal commission that investigated conditions in the Maritime Provinces.

"The unprofitable condition of the steel industry of the provinces has prevented the companies from improving their equipment and practice to the extent the managements desire, but, making a due allowance for these limitations, it may be fairly stated that the plants are in an admirable state of efficiency and there have been some changes in the technical practice that have benefited operations.

"Relations with the workmen of the various plants have been eminently satisfactory. To the co-operation of the men with the management is due in no small measure the continuance under the discouragingly difficult trade conditions.

Coal Situation

"Since the conclusion of a wage contract between the United Mine Workers and the coal companies, in February last, which resulted from the acceptance of the report of the royal commission under the chairmanship of Sir Andrew Rae Duncan, conditions have been markedly improved and, throughout the season of navigation, all the collieries of the British Empire Steel Corporation have worked to capacity.

"Sales to the St. Lawrence market were larger than in any previous season. The reduction secured in the wage scale made it possible to quote sales prices in competition with American coal, and the volume of business secured improved the operation; consequently, the cost of coal production during the year, and particularly in the closing months, was reduced, larger daily outputs were obtained, and the rate of production has been in excess of any year since 1915, notwithstanding that the number of operating mines has been lessened.

"Following the close of St. Lawrence navigation, the coal companies have been able to benefit by the increased demand for export and bunker coal caused by the British strike, and this business, in addition to the shipment of approximately 150,000 tons of coal to the Montreal market via Portland, is giving steadier operation to the mines than has been possible for a number of years past."

Dominion Coal Company Production Increased

From Our Own Correspondent

MONTREAL.—The output of coal from the minos of the British Empire Steel corporation has steadily increased throughout 1926. The corporation produces some 90 per cent. of the output of Nova Scotia. The production of the province from the beginning of the year to the end of October is seen in the following:

January	390,408
February	337,949
March	377,315
April	356,880
May	533,768
June	689,948
July	642,428
August	634,439
September	653,953
October	731,079

Spanish River British Holders Get Allowance

The British Foreign and Colonial Corporation, London agents for the Spanish River Pulp and Paper Mills, state that they are informed by the British Board of Inland Revenue that for the year ended April 5, 1926, it has consented to allow relief from British income-tax on dividends paid to holders of the common stock preferred 7 per cent. cumulative participating stock of the Spanish River Pulp and Paper Mills, in respect of the payment of Canadian income-tax by the Spanish River Pulp and Paper Mills.

The rate at which relief may be claimed for the year is 1s. 10d. in the £, or one-half the taxpayer's "appropriate rate" of British tax (as defined in the section) whichever is the lesser.

The relief does not apply to the interest on the bonds or to the participating dividend paid to bondholders of the Spanish River Pulp and Paper Mills, the Lake Superior Paper Co., and the Ontario Pulp and Paper Co.

Eastern Dairies Popular

MONTREAL.—Due to the expansion of the company, the shares of Eastern Dairies are now quoted on the Montreal Curb Market at 20 to 21. This compares with a price of $15 when the stock first began to change hands. Since its inception, the company has been quietly acquiring further dairies or creameries.

WE beg to announce that as of December 31st, 1926, Mr. T. Ross Boys has retired as a partner of this firm, and that as of January 1st, 1927, Mr. J. H. N. Drope and Mr. William Harnett have been admitted as general partners.

Brouse, Mitchell & Co.
227 Bay Street Toronto

The composition of the firm will now stand as follows:

GEO. G. MITCHELL.
E. GORDON WILLS.
J. H. N. DROPE.
WILLIAM HARNETT.

January 3rd, 1927.

CANADIAN INDUSTRIAL DEVELOPMENT

Realizing the growing importance of Canada's resources of industrial raw materials and minerals to supply the present needs of manufacturers and to form the basis of new industries the Canadian Pacific Railway maintains an organization to assist manufacturers and shippers and to further industrial development along its lines.

Through this organization you can obtain full and reliable information as to Canada's resources and the raw materials which you require for the manufacture of your products.

Information and assistance also given to those seeking location for their business or plants or looking for extensions of existing industries. Under this latter heading data can be supplied on industrial sites, empty warehouses, manufacturing and labour and other conditions.

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Canadian Pacific Railway
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INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.

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It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.

BRANCHES: SASKATOON, EDMONTON LETHBRIDGE, VANCOUVER

THE firm of A. A. Housman-Gwathmey & Co. has been dissolved by mutual consent and the business heretofore conducted under our name will be continued by E. A. PIERCE & CO.

A. A. HOUSMAN-GWATHMEY & CO.

January 1, 1927.

E. A. PIERCE & CO.
11 Wall Street New York

WE announce the formation of a co-partnership under the firm name of E. A. PIERCE & CO. to continue the business heretofore conducted by A. A. Housman-Gwathmey & Co.

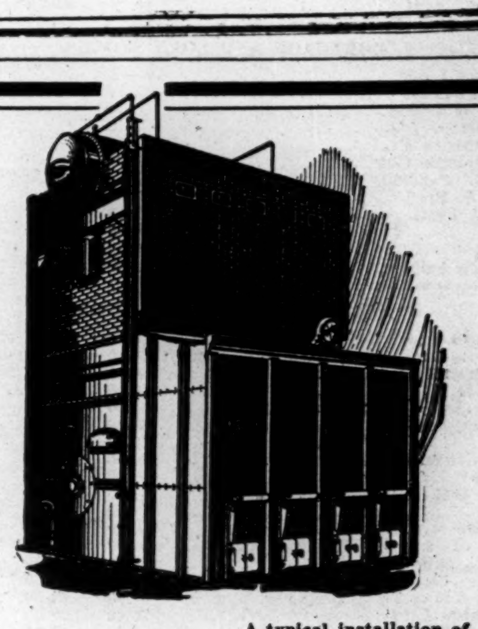
THE personnel of this co-partnership is identical with that of the predecessor firm save that Harold A. Sands retires as a partner; Sidney J. White and J. C. Cuppia, members of the New York Cotton Exchange, are admitted as partners; and Frederick Housman becomes a special partner.

ALL offices maintained by A. A. Housman-Gwathmey & Co. will be continued by E. A. Pierce & Co.

Edward Allen Pierce
Edward L. Burrill
J. H. Goadby Mills
M. Eyre Pinckard
Simon J. Shlenker
Arthur L. Kerrigan
Latham R. Reed
Robert Cassels
A. B. Gwathmey Jr.
William Mitchell
E. E. Bartlett Jr.
Edward Kinne Cone
Sidney J. White
J. C. Cuppia

Special
Clarence J. Housman
Frederick Housman
Joseph Hendrix Himes

January 1, 1927.



A typical installation of an Inglis "Erie City," Vertical Water-Tube Boiler in half steel casing.

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That such large concerns as the Wm. Davies Co., The Dunlop Tire and Rubber Company, O'Keefe's Brewery and many others have chosen the Inglis Erie City Vertical Water-Tube Boiler is sufficient evidence of its high efficiency and low upkeep cost.

These installations are more than satisfying the engineers and executives because they are simple in construction, made of the finest materials and remarkably free from scale trouble. The *abundance of dry steam*, economically generated, provides great reserves of power for emergencies or overloads.

Ask our Consulting Bureau—there is no obligation—for full advice on your boiler requirements.

The John Inglis COMPANY LIMITED
14 STRACHAN AVENUE, TORONTO, ONT.
405 POWER BUILDING, MONTREAL, P.Q.

Unlisted Securities Have Moved Upwards

General Trend of Stocks and Bonds Not on Exchange Lists Has Been Toward Strengthening of Prices in Year Just Closed

During 1926 unlisted fund prices have generally improved. About the only exceptions are the second mortgage 5 per cent. bonds of the Dominion Iron & Steel Company and the 6 per cent. debentures of the Nova Scotia Steel & Coal Company. Both these securities are at the time in default of the interest covering the last twelve months. Recent reports would indicate that business has for some time with them steadily improved and it would not be unreasonable to expect that these securities would or should gradually do better. At any rate, they present an interesting speculation around present prices.

Looking over the list of unlisted stocks for 1926, and comparing it with that of 1925, it will be seen that the general trend of the market has been upward, with many remarkable gains and rather few recessions. Cockshutt Plow is up 20 points per share and recently sold as high as $80. British American Oil has advanced from 48 to 82.

English Electric has appreciated, closing 14 points over a year ago.

Goodyear Tire has been in good demand at $80 per share which is 25 points higher. These four stocks are representative of the list in general and their price movement is indicative of the return to nearly normal industrial conditions and better times.

INDUSTRIAL STOCKS

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
Alta. Pac. Grain, com. (old)	$100.00	$175.00	$ 85.00	*$87.00
Alta. Pac. Grain, pref. (old)	101.00	104.00	18.00	*21.00
Belding Corticelli, com.	75.00	80.00	85.00	90.00
Belding Corticelli, pref.	93.50	97.00	100.00	105.00
British American Oil	48.50	49.00	82.50	83.00
Border Cities, pref., bonus	....	....	40.00	43.00
Brooks Steam Motors	3.00	4.50	6.00	7.00
Can. Machinery, pref.	12.00	15.00	17.00	22.00
Can. Machinery, com.	6.00	9.00	5.00	6.50
Can. Westinghouse	151.00	155.00	175.00	185.00
Cockshutt Plow, pref.	52.00	57.00	73.50	75.00
Collingwood Ship, com. (old)	60.00	....	25.00	*35.00
Cosgraves' Breweries	4.00	5.00	6.50	7.50
Dom. Linens, pref.	25.00	30.00	13.00	17.00
Dom. Manufacturers, pref.	58.00	65.00	60.00	70.00
Dom. Manufacturers, com.	6.00	9.00	5.00	7.00
Dom. Power, com.	35.00	38.00	36.00	38.50
Dom. Power, pref.	91.00	94.00	98.50	100.00
Dom. Sewer Pipe, com.	40.00	50.00	50.00	60.00
Dom. Sugar, pref.	82.00	88.00	92.00	98.00
Dom. Sugar, com.	7.00	10.00	17.00	22.00
Dunlop Tire, pref.	72.50	76.00	85.00	88.00
Durant of Canada	4.00	5.00	2.00	3.00
English Electric, com.	13.50	15.50	15.00	17.00
English Electric, pref.	58.50	63.00	72.00	74.00
Famous Players, pref.	82.00	84.00	Listed	
Famous Players, com.	11.00	13.00	Listed	
Farmers' Dairy (old)	118.00	....	....	....
Farmers' Dairy, pref. (new)	....	....	99.50	....
Farmers' Dairy, com. (new)	....	....	54.00	....
Goodyear Tire, com.	55.00	60.00	80.00	85.00
Goodyear Tire, 6% pref.	92.00	95.00	92.00	94.00
Greening Wire, pref.	95.00	97.00	93.00	95.00
Gunns, pref. (old)	35.00	40.00	27.00	30.00
Imperial Tobacco, com.	6.00	7.00	6.00	7.00
Imperial Oil	37.75	38.00	37.75	38.25
Inter. Petroleum	34.75	35.00	32.50	33.00
King Edward Hotel (A)	75.00	78.00	71.50	....
King Edward Hotel (B)	55.50	58.50	61.00	....
Loblaw, com.	55.50	58.00	Listed	
Loew's, Toronto, pref.	84.50	87.50	Listed	
Loew's, Toronto, com.	31.00	33.50	Listed	
Massey-Harris (old)	64.25	65.50	....	....
Massey-Harris, pref. (new)	....	....	Listed	
Massey-Harris, com. (new)	....	....	Listed	
Mount Royal Hotel, pref.	46.00	50.00	52.00	56.00
Mount Royal Hotel, com.	6.00	7.00	5.50	6.75
National Grocers, 1st pref.	....	100.00	96.00	98.00
Neilson, Wm., Com.	108.00	....	125.00	....
Neilson, Wm., pref.	99.00	103.00	110.00	....
Northern Can. Power, com.	45.00	50.00	45.00	50.00
Nor. Mex. Power & Develop., com.	48.00	50.00	Listed	
Nor. Mex. Power & Develop., pref.	88.00	90.00	Listed	
Page-Hersey, pref.	100.00	....	Listed	
Page-Hersey, com.	100.00	....	Listed	
Simpson, pref.	99.50	101.00	100.00	102.00
Toronto Brick, pref.	85.00	....	85.00	90.00
Toronto Brick, com.	15.00	25.00	15.00	20.00
Toronto Carpet, com.	120.00	....	120.00	....
Toronto Carpet, pref.	95.00	100.00	96.00	....
Willards Choc., pref.	68.00	71.00	69.00	71.00

MORTGAGE AND LOAN STOCKS

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
B. C. Permanent Loan	....	....	95.00	105.00
British Mtge. & Trust	....	....	195.00	205.00
Can. Mortgage & Invest.	....	....	67.50	71.00
Chartered Trust	....	....	70.00	78.00
Commercial Finance Pref.	57.00	65.00	70.00	....
Commercial Finance Com.	11.00	13.00	20.00	25.00
London L. & S. (Par $50)	45.50	47.50	44.00	50.00
Man. Finance B. Pref.	7.00	8.00	7.00	8.25
Mtge. Discount Pref.	7.15	8.00	6.75	7.25
Peoples Loan	75.50	85.00	70.00	75.00
Sterling Trust	75.00	85.00	75.00	....
Toronto Finance Pref.	5.50	7.00	3.00	5.00
Trusts and Guarantee	73.50	78.00	80.00	85.00

INSURANCE STOCKS—LIFE AND FIRE

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
British American Assce. (old)	8.00	....	25.00	*....
Capital Life	20.00	25.00	....	25.00
Can. Fire Insurance	80.00	85.00	90.00	100.00
Commercial Life	10.00	....	....	25.00
Commonwealth Life	13.00	18.00	....	20.00
Continental Life 20% pd.	33.00	37.00	35.00	40.00
Crown Life	120.00	....	127.00	....
Dom. of Can. Guarantee & Accid.	290.00	310.00	340.00	....
Dom. Fire (old)	40.00	....	90.00	*100.00
Excelsior Life 29% pd.	37.00	44.00	60.00	68.00
Empire Life	21.00	25.00	....	27.00
Great West Life	350.00	400.00	410.00	460.00
Guarantee Co. of N. A.	150.00	....	200.00	....
Merchants Cas., fully pd.	10.00	15.00	36.00	40.50
Monarch Life	15.00	17.00	29.00	31.00
National Life	47.00	51.00	50.00	60.00
Ontario Equitable Life	25.00	28.00	24.00	27.00
Security Life 40% pd.	30.00	35.00	20.00	26.00
Sovereign Life 25% pd.	22.00	26.00	29.00	33.00
Sun Life	210.00	....	650.00	....
Western Assurance (old)	7.00	8.00	25.00	*....

* New.

INDUSTRIAL AND PUBLIC UTILITY BONDS

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
Abitibi P & P 6%, 1940	$100.00	$101.00	$104.00	$104.75
Algoma Steel 5%, 1962	29.00	30.25	28.25	28.75
Bathurst Co. 6½%, 1941	....	95.00	98.00	....
Border Cities Hotel 7½%	97.00	98.00	100.00	102.50
Brompton P & P 6%, 1939	97.00	99.00	105.00	....
Brandram Henderson 6%, 1936	90.00	....	96.00	98.00
Br. Col. P & P 6%, 1950	82.00	90.00	75.50	82.00
Burns, P. & Co. 6½%, 1943	102.00	103.75	102.75	103.75
Calgary Brewery 5%, 1942	82.50	85.50	86.50	88.00
Calgary Power 5%, 1940	90.00	91.50	89.25	90.50
Canada Biscuit 6½%, 1946	....	....	99.75	101.00
Canada Bread 6%, 1941	103.00	....	105.25	....
Canada Lt. & Pr. 5%, 1949	57.00	60.00	89.50	90.75
Canada Machinery 6%, 1940	73.00	76.00	77.50	....
Can. Steamships 5%, 1943	82.00	83.00	96.50	98.00
Can. Car & Foundry 6%, 1939	100.50	102.00	103.75	104.75
Can. Cons. Rubber 6%, 1946	99.75	101.00	102.00	103.00
Can. Steel Foundry 6%, 1936	102.00	....	103.50	105.00
Cedar Rapids 5%, 1953	99.00	100.00	100.25	101.25
Dominion Iron 5%, 1939	63.00	65.00	29.50	31.50
Dominion Iron 5%, 1929	89.00	91.00	71.50	73.50
Dom. Manuf. 6%, 1933	92.50	....	94.25	....
Dom. Power & Trans. 5%, 1932	95.50	96.50	96.55	97.25
Dominion Textile 6%, 1949	105.00	106.50	106.50	107.50
Drummond Invest. 6½%, 1938	97.00	99.00	98.25	100.00
Dunlop Tire 6%, 1927	100.00	....	100.00	....
East Kootenay Pr. 7%, 1942	102.00	104.50	104.00	105.50
Elect. Development 5%, 1933	99.00	100.50	100.00	101.00
Flax Spinner 7%, 1934	96.00	98.00	93.00	....
Greening Wire 6½%, 1943	99.75	....	101.00	....
Imperial Tobacco 7½%, 1971	108.00	....	105.00	....
Inter. Paper 5%, 1955	97.75	98.75	99.00	100.50
Jamaica Pub. Ser. 6½%, 1943	101.50	103.00	102.25	103.50
King Edw. Hotel 7%, 1944	94.00	....	92.50	....
Kamininsiquia Pr. 5½%, 1950	98.75	100.00	99.50	101.00
Lake Superior P & P, 1941	105.00	106.50	105.50	107.50
Laurentide Pr. 5½%, 1946	101.50	103.00	101.25	102.50
Loews Toronto 6%	97.50	100.00	98.00	100.50
Massey Harris 8%, 1930	102.50	....	102.25	....
Mattagami P & P 6%, 1937	116.00	....	118.00	....
Mattagami P & P 7%, 1949	50.00	57.00	58.50	....
Mercury Mills 6½%, 1943	97.00	100.00	100,25	101.50
Metropolitan Bldg. 7%, 1944	96.00	98.00	99.00	102.00
Mont. Pub. Ser. 5%, 1942	93.00	96.00	97.75	98.50
Mont. Tram. 5%, 1941	96.75	97.75	98.75	99.50
Mont. Tram. 5%, 1955	92.50	94.00	94.00	95.00
Niagara St. Catharines & Tor. 5%, 1929	94.00	96.50	92.50	94.50
Nor. Can. Pr. 6%, 1945	99.50	101.00	100.25	101.25

HARRY C. HATCH,
President of the newly organized Hiram Walker's Limited, and also head of Gooderham & Worts. Mr Hatch's life was insured this week for $1,000,000, bringing his total insurance to a million and a half.

LACK OF ORDERS CURTAILS WHEAT FLOUR MILLING

Situation Now Displays Many Encouraging Features

Lack of foreign demand is reflected in the curtailment of operations in Canadian flour mills during recent months. Results in many respects have been disappointing. While it was generally recognized that the coal miners' strike in England would lower demand from that market, it was expected that increased purchases from South America and the Orient would offset this loss. For a time this proved to be the case, but the prolongation of industrial troubles in England and the failure of British buyers to come into the market after the close of the strike proved sufficient to further limit operations. This was brought about by two reasons, namely, high ocean freight rates and the uncertainty as to the outcome of the Australian and Argentine wheat crops.

Production during the past three years has moved steadily downward. In 1924, output amounted to 19,931,000 barrels; in 1925, 18,564,000 barrels, while for the first ten months of the past year it totaled 15,161,000 barrels. The monthly returns are even more significant. Whereas in 1924, production amounted to over 1,700,000 barrels a month, the following year it dropped to between 1,500,000 and 1,600,000, while in the past year it just topped the 1,500,000 mark.

Now More Encouraging

While these figures indicate an unfavorable situation in the flour milling industry of the Dominion, the present outlook is more encouraging and will probably result in better earnings for the different companies engaged in this business. On November 15 last the Railway Board put into effect an order correcting the discrimination in freight rates against those operators located a considerable distance inland. Under the new rule, mills located inland will now be put on equal terms with those on the lakes as far as the business of milling in transit is concerned.

Moreover, the outlook in England and on the continent is more promising, and buying will probably pick up very shortly. In addition, Canadian millers have been paying more attention in the past few years to developing markets in South America and the Orient. This has given them a much wider distribution for their product and has been the means of stabilizing, to some extent, the export situation. Brazil and other South American countries have been buying heavily during the last two years and it is considered that these markets will in time offer an outlet for a large percentage of production. As regards marketing prospects in the Orient, C. O. Julian, of the Vancouver Harbor Board, who recently returned after a nine months' sojourn in the Orient, states that 1927 should see an increasing quantity of Canadian flour marketed in the East.

Notwithstanding the discouraging setbacks which Canadian millers have encountered in the past year, the present situation displays many encouraging features. Although operations are carried on with a very small margin of profit per unit of sale, the undoubted strength of the milling companies has enabled them to carry on without any impairment of their financial position.

HALIFAX EXPECTS TO BENEFIT FROM DUNCAN'S REPORT

Adoption Will Make Port Serious Competitor for N. Atlantic Traffic

Special Correspondence.

HALIFAX. — Great expectations are held here from the possible adoption of the recommendations made in the Duncan report for facilitating movement of Canadian produce through the port of Halifax to markets overseas. During the past year, despite the slump of shipping during the summer months, activities at the port were greater than any other year in its history. But despite this favorable showing, shipping interests believe that Halifax is far from being the port which its location, facilities, and proximity to European markets justify.

In reviewing the activities of the port for the past year, D. R. Turnbull, president of the Halifax Board of Trade, stated that progress made had been very encouraging. Steps have been and are being taken, he said, to properly equip the port with terminal facilities that would attract traffic, and at the present time, increased terminal facilities are well under way, the chief among these being additional grain conveyor capacity and cold storage facilities, also, proper immigration buildings.

Like Nationalization Plan

The Duncan report also recommends that the port of Halifax be nationalized under a harbor commission. This will mean that it will be under the guidance and jurisdiction of an organization with experts to look after every angle of properly developing the port and soliciting traffic through it.

At the present time there are some thirty-two lines of steamers making Halifax their terminal or port of call. An idea of the extent to which this port is being used in international shipping may be gained from the number of ocean vessels which entered during the past year. In all there were 1,890, of which no less than 1,500 were of British registry; 88 American, 86 Norwegian, 61 French, 49 Swedish, 44 Danish, 21 Dutch, 11 German, 9 Nicaraguan, 2 Italian, 2 Spanish, 7 Argentine and 1 Belgian. Facilities for the accommodation of this shipping include 16 berths with plenty of water for the largest ocean going liners. The harbor is one of the the most extensive on the Atlantic coast, having an average width of 1¼ miles, thus giving adequate water for manoeuvering.

Advantageous at Outlet

From the standpoint of an outlet to foreign markets of Canadian produce, the port is in a most advantageous position. It is the nearest port on the Atlantic to the principal ports of the United Kingdom and Continent, South America, Australia, China, and South Africa. Halifax has steamship connections with such important markets as London, Liverpool, Bristol, Manchester, Havre, Antwerp, Cuba, West Indies, Saint Johns, Nfld.; New York Boston, Prince Edward Island, In addition to its berthing accommodation, Halifax has a grain elevator, having a capacity of over 1,000,000 bushels, as well as excellent facilities for bulk freights, and is equipped with a shipyard and has a 30-ton floating crane.

It is felt that the benefits resulting from the nationalization of the port, if properly handled, would prove of tremendous value and will go a long way toward putting the port of Halifax in its position as a serious competitor for the traffic of the North Atlantic coast.

Haig, Keith & Co. New Stock Brokerage Firm

Announcement is made of the formation of the Stock Exchange house of Haig, Keith & Company, with membership on the Toronto Stock Exchange.

David C. Haig, who was recently elected to the Exchange, has been identified with manufacturing interests in Toronto for a number of years and has been honorary secretary of the New Granite Club since its inception.

William L. Keith has been associated with the Bank of Nova Scotia in Toronto for over fifteen years and for the last twelve years has been assistant manager at the main office.

The new firm will deal in listed and unlisted stocks, government, municipal and corporation bonds.

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
Nor. West. Utilities 7%, 1938	....	....	99.00	100.50
Nova Scotia Steel 5%, 1959	....	67.00	55.50	59.00
Nova Scotia Steel 6% debs.	53.00	56.00	29.00	32.00
Nova Scotia Tram. 5%, 1946	87.50	89.00	89.00	90.50
Ogilvie Flour 6%, 1932	105.50	....	102.25	103.25
Ontario P & P 6%, 1931	106.25	109.00	108.00	....
Ontario Steel Prod. 6%, 1943	99.00	100.50	101.50	....
Ottawa Gas 6%, 1939	102.50	103.50	102.75	104.00
Ottawa Hull Pr. 6%, 1948	102.00	103.75	103.25	104.50
Ottawa L. H. & Pr. 6%, 1953	103.00	....	104.50	105.50
Ottawa Mont. Pr. 6½%, 1949	101.75	103.25	102.50	103.50
Ottawa Trac. 5½%, 1955	99.50	101.00	99.75	100.75
Paton Mfg. 6%, 1953	....	....	100.00	102.00
Pedlar People 8%	101.50	....	101.00	103.00
Price Bros. 6%, 1943	101.00	102.00	103.25	103.75
Professional Offices 7%	100.25	....	99.50	102.00
Prov. L. & Pr. 5%, 1946	99.25	101.00	100.25	....
Quebec Rly. 5%, 1939	93.00	94.00	98.50	101.50
Quebec Pr. 6%, 1953	102.50	103.50	106.25	....
Rio Tramway 5%, 1935	93.75	95.00	95.00	95.75
Sao Paulo Tram. 5%, 1929	95.00	96.50	97.25	98.00
St. Lawrence Sugar 6%, 1932	92.00	....	93.50	....
St. Maurice Pr. 6½%, 1953	108.25	109.00	108.25	....
St. Maurice Valley 6%, 1945	97.00	99.00	99.50	100.50
Shawinigan W & P 6%, 1950	104.75	106.25	106.00	....
Sheldons Ltd. 6%, 1934	....	....	89.50	93.00
Simpsons, Robt. 5%, 1952	93.00	....	94.75	....
Southern Can. Pr. 5%, 1955	95.00	97.00	96.50	97.50
Spanish River P & P 6%, 1931	101.00	103.00	108.00	....
Spanish River P & P 8%, 1941	107.25	108.50	106.75	108.00
Standard Clay Prod. 6%, 1942	89.50	....	90.00	....
Toronto Carpet 6%, 1944	99.00	100.00	101.00	102.25
Toronto Suburban 4½%, 1961	50.00	55.00	42.00	50.00
Wabasso Cotton 7%, 1942	97.00	99.00	101.00	102.50
Walmsley, Chas. 6%, 1943	96.00	97.50	91.25	94.50
Wayagamack P & P 6%, 1951	92.00	93.50	99.50	100.50
West Kootenay Pr. 6%, 1943	103.75	105.50	104.00	....
West. Pr. of Can. 5%, 1949	94.25	95.75	95.50	97.50
Windsor Hotel 6½%, 1943	104.50	....	104.75	....
Winnipeg Elec. Co. 6%, 1954	95.50	97.00	98.75	99.75
Winnipeg Elec. 5%, 1935 (Rly.)	94.50	96.00	97.00	98.25

GOVERNMENT, MUNICIPAL AND RAILWAY BONDS

	1925 Bid	1925 Ask	1926 Bid	1926 Ask
C. N. R. Income 5%, 1930	54.50	57.50	70.50	71.50
C. P. R. 5%, 1934	99.25	100.00	99.50	100.15
Dom. of Canada 5½%, 1932	103.00	103.50	102.40	102.60
Dom. of Canada 5½%, 1934	103.80	104.30	103.10	103.45
Dom. of Canada 4½%, 1944	96.50	97.00	96.40	96.75
G. T. R. Dom. Gtd. 6%, 1936	106.25	108.00	107.00	107.75
Hydro Elec. Ont. Gtd. 4%, 1957	85.00	87.00	85.75	86.50
Ontario 4½%, 1944	94.50	96.00	96.10	96.60
Ontario 5%, 1948	100.50	101.75	102.10	102.50
Toronto 5%, 1929	99.50	100.50	99.75	100.25

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INCOME TAX DEPT. LAUNCHES DRIVE ON DEPRECIATION

Reserves of Corporations to be Subjected to Analysis

While income tax reductions are being freely discussed, Canadian business firms are the object of an apparent campaign by the federal income tax administrators to make them pay more taxes in the coming year.

The attack on corporation profits is taking the form of a minute survey of the depreciation charges of the period since the income tax came into force, ten years ago. Various firms have been asked by the income tax department to submit an itemized statement of all their assets, held at any time during the ten-year period, with a statement also of the amounts written off these assets for depreciation charges. Object of the department is stated to be to uncover cases where assets have been fully depreciated by deduction from profits. Where such cases are found, the companies will be told, it is suggested, that they can no longer make deductions on account of depreciation against these assets.

Such a survey of depreciation changes has, of course, been going on continually as part of the ordinary work of examining profit and loss accounts. A more stringent application of the rules is what is now planned.

Also, it is stated that where the department finds that in a period of say, five years, property has been written down to a small fraction of its value, it will require a much smaller depreciation allowance to be written off from now on.

Auditors, whose clients have received the request for the depreciation statements, have been informed by officials of the department that a general survey covering all Canadian corporations will be made this year in an attempt to find out if there has been evasion by undue depreciation charges.

While the income tax department has evidently set its mind to a drive upon depreciation accounts, it has not, apparently, weakened in its position of refusing to allow adequate allowances for machines and equipment, disposed of or becoming obsolete, before the owner has had an opportunity to write it off through the natural process or setting up depreciation reserves.

A firm, for instance, bought a car for one of its salesmen, at $1,000. The car was held for two years and in that period was written off by the amount of $400, as permitted by income tax procedure. This made its book value $600. However, the car was sold at the end of two years and realized only $500. The company was not permitted to deduct the difference between the $500 realization and the $600 book value from its gross income in determining taxable income. The company took the stand that the actual depreciation on the car was $500, as was proven by the fact that it only brought half of its original cost when sold. It thought it should be allowed to deduct the extra $100 as a depreciation adjustment. The department, on the other hand, views the $100 loss as a capital loss and therefore not a legitimate charge against earnings. The situation becomes more serious when expensive machinery has to be replaced by newer and more up-to-date machinery before it has been written off sufficiently to absorb the loss in disposing of it.

Of course, where a firm makes money on the sale of equipment it pays no tax on this profit.

Canada Cement Stock At New Record Level

From Our Own Correspondent.

MONTREAL.—The recent upward movement of the shares of the Canada Cement Company has been due in part to the feeling which seems everywhere prevalent that despite the much reduced prices in the province of Quebec, the company's net earnings in 1926 will be very much about the level of 1925. It is well known that "Cement" has many hidden assets, and that earnings from miscellaneous sources are steadily increasing year by year. It is thought that in 1926 income from investments and other sources will be sufficient to meet the dividend requirements of the preferred stock totaling $735,000 annually. Stimulated by the strong position of the company, the increased demand for cement during the past year, and the outlook for a good demand during 1927, the stock has broken new high ground.

Despite the greater competition, especially in the province of Quebec during the year, it is understood that the forthcoming annual report will show the usual amount of $1,500,000 written off the profits as an allowance for depreciation.

No Larger Dividends

The present rise in the stock apparently does not indicate increased disbursements to the shareholders at an early date, for the president of the company has never held out any hope for increased dividends or increased consideration to the shareholders of any sort until the bonds are retired in 1929. A year ago the bonded indebtedness amounted to $4,883,347. It is thought that the shares may react from their present high level, but, with a stock so closely held as Canada Cement, it is practically impossible to forecast month to month market movements—it is purely a long-hold proposition. Because the stock is so closely held, any real demand for the shares tends to increase the price more than would normally be warranted.

It is understood that the gross profits of the year may show some decline from the 1925 level.

Completing the biggest year in this respect since pre-war boom days, December records brought the total of homestead entries in the Edmonton district for 1926 to a figure almost double that of the previous year.

Would Study Apple Marketing in Britain

The Nova Scotia Fruit Growers' Association has requested the provincial department of Natural Resources to appoint and send overseas a commission to enquire into the conditions under which Nova Scotia apples are marketed. The suggested personnel is, the secretary of the Nova Scotia Fruit Growers Association, a representative of the United Fruit Companies and the newly appointed provincial horticulturalist, Prof. Middleton.

INDUSTRIAL OUTPUT OF UNITED STATES HIGHEST IN HISTORY

So Declares Herbert Hoover in Year End Message

The highest total production and consumption of industrial commodities of any year in the history of the United States, was recorded in 1926, according to Herbert Hoover, Secretary of Commerce. There was no inflation of commodities as prices decreased rather than increased during the year. Moreover, the elasticity of credit through the Federal Reserve System, the absence of undue stocks of commodities, and the greatly enlarged information services of the country, were protections against violent movements, such as experienced in former times.

Except in the textile industry and parts of the coal industry, Mr. Hoover stated, it has been a year of high degree of employment, which has been accompanied by the highest peak in real wages, because wage income for the country as a whole has slightly increased and cost of living slightly decreased during the year. Manufacturing, the service industries, and commerce generally have continued to improve their methods, to reduce costs, and to improve services. In aggregate, each industry appears to show substantial profits except the textile and some parts of the coal industry. While there has been a slackening in production and demand for several staple lines during the past few weeks, we enter the new year with no consequential over-stock of manufactured goods. With the largest volume of construction during the past year ever known there may prove to be some construction in advance of immediate needs, but slackening in this direction may be partially compensated by the assurance of a larger amount of public construction during the next year. Savings of the country have shown a steady increase and there is ample cheap capital available.

If we use the precise term "economic progress" we find we have per capita as the result of the year 1926 more and better homes, more electric lights and power, more transportation, more roads, more substantial buildings, more radios and more automobiles, more savings, more life insurance and more of a lot of things. We also have more educational facilities and more per capita circulation of newspapers and magazines than ever before.

Altogether we enter the New Year with a job in prospect for most everybody, with the whole nation better fed, better housed, and better clothed.

Another 10 Per Cent.

Shareholders in the old Dominion Savings and Investment Society received from Trusts and Guarantee Company of Toronto, a ten per cent. dividend, $90,000 in all. The biggest part of the money went to London, Ont.

Up to date, the Trusts and Guarantee Company, which has charge of the affairs of the Dominion Savings, has repaid twenty-five per cent. of the investments, and the trust company still holds valuable assets, including the Dominion Savings building in London.

Rapley Joins Bankers

MONTREAL.—Winfield P. Rapley has been admitted as vice-president to the firm of William Partridge and Rapley. Mr. Rapley is well known in banking circles, as before joining the investment house, he was assistant manager of the Canadian Bank of Commerce in Montreal; he has been with the latter organization for the past twenty-six years.

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CANADIAN PACIFIC STEAMSHIPS

Interest Rates Decline On Canadian Mortgages

Interest rates upon mortgages have tended to decline slightly in Canada due to more intensive competition for acceptable business, John Appleton, secretary of Dominion Mortgage Investments Association writes in the Mail and Empire, Toronto. On the other hand, money rates in Great Britain and on the Continent have remained fairly high. It is not likely, therefore, that there will be brought into Canada during the coming year from European sources, both those of Great Britain and the Continent, much additional capital. United States investors are, however, giving more attention to the Canadian field and any improvement in conditions, either economic or legislative, will increase the volume of funds for mortgage purposes from that source. This, upon examination, will not be found to be so serious as to modify to any considerable extent the policies of the Canadian companies, as the rates paid upon mortgages in the United States remain relatively high as compared with those of Canada. As a matter of fact, some Canadian lenders have found profitable employment for their funds in United States cities and other lenders are contemplating entering that field. Up to the present time there appears to have been ample employment at satisfactory rates for all capital available in Canada. As the supply is becoming somewhat greater the Canadian companies are exploring other fields and, so far as their limited experience up to the present time indicates, there is promise of satisfactory results.

1927 Promises to be Big Year for Business All Over the Dominion

(Continued from page 11)

of Agriculture points out that this probably exceeds that of the farmer in any other country. We have spent much time upon analyzing U.S. and Canadian reports and it seems that the average buying power per farm in Canada is at least $300 higher than in the U. S. A.

It is true, as the pessimists are pointing out, that Canada's field crops in 1926 showed a decrease of $9,000,000 or about the same ratio of decrease as is shown in the United States crop reports. It is well to remember that Canada's farming is changing so rapidly in character that the shrinkage is taken up in other branches of agriculture, not to mention manufacturing and mining.

Canada's mines this year will pay out between $80,000,000 and $100,000,000 in wages and for supplies. The increased production in Ontario alone more than makes up for any decrease in revenue from field crops, and remember, that Canada is only in its infancy as a mining country. Twenty years ago Northern Ontario was an unknown wilderness. Only seven per cent. of Ontario mineral lands have, as yet, been exploited, but they are producing over $60,000,000 a year already. Canada's total revenue from mining this year will be $238,000,000.

Markets

Canada's revenue from manufacturing will exceed $2,750,000,000 this year, or 48.65 per cent. of the total revenue. On December 1st employment stood five points higher than the average on that date for the past five years. Per capita savings deposits in chartered banks—i.e., that is independent of deposits in Post Offices and Dominion and Provincial special savings banks—on September 1st, stood at $143, as compared with $85 in 1914.

Industry is More Efficient

In going over latest manufacturing statistics, one finds that the efficiency of production in 1924 was represented by an index number of 128 as compared with 100 in 1917. Few Canadians realize how very efficient the nation is as a whole. Last year, Canada, with a population of only 9,000,000, had as much foreign trade as the United States when she had 76,000,000. The Dominion is mining as many minerals as the United States did with 38,000,000 people, and manufacturing as much as the United States did with 50,000,000 people, and every year Canadian workers are becoming more and more efficient.

We all know that we are capable of doing far more than we actually accomplish. If everybody in Canada increased their output by 25 per cent. in 1927—an increase which is well within the range of practical politics when one considers the great increase in efficiency of machinery and the ever-growing use of power—it would mean that 10,000,000 people in this fine country of ours would do just about one half the trade of our great and prosperous neighbor.

The outlook for the New Year is very promising; great developments in mining and pulp and paper areas in Eastern Canada are already under way.

The prospects for increased immigration, both from Great Britain and the U.S.A. are good, and in practically every direction, indications are for a continuance of the steady growth of the past few years.

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NEW ISSUE

160,000 Shares

Hiram Walker's, Limited

Incorporated under the Dominion Companies Act

TO OWN AND CONTROL

Hiram Walker & Sons, Limited

of Walkerville, Ontario.

Transfer Agent: National Trust Company, Limited.
Registrar: The Toronto General Trusts Corporation.

CAPITALIZATION

(upon completion of the present financing).

	Authorized	Issued
Capital Stock—No Par Value Common Shares	400,000 Shares.	400,000 Shares

No Bonds. No Preferred Stock.

DIRECTORS

The Directors will include:—

H. C. HATCH, President,
President, Gooderham & Worts, Limited.

W. J. HUME, Vice-President and General Manager

F. K. MORROW,
Director, Flour Mills of America, Inc.

F. WELLINGTON HAY,
President, Hay Bros., Limited.
President, Perfect Knit, Limited.

W. H. MARA,
Partner, Mara & McCarthy, Stock Brokers.

H. F. MARRIOTT,
Partner, Osler & Hammond, Stock Brokers.

J. F. LASH,
Messrs. Blake, Lash, Anglin & Cassels.

DUNCAN MACLEOD,
President, Bulloch Lade & Co., Limited, Glasgow, Scotland.

From information supplied by the Company:—

THE COMPANY—Upon completion of the present financing, the Company will own the entire Capital Stock (other than Directors' qualifying Shares) of Hiram Walker & Sons, Limited, of Walkerville, Ontario, subject to a charge in favor of its Bankers on a portion of the said Shares.

Hiram Walker & Sons, Limited, commenced business as Distillers in 1858, and their Brands of Whisky, such as "Canadian Club" and "Walker's Imperial", have become famous throughout the civilized world. Their plant is situated at Walkerville, Ontario, and to keep pace with an ever-increasing demand, manufacturing facilities have been enlarged from time to time, and the present plant is thoroughly modern in design and equipment, and has been maintained in efficient operating condition. At the present time properties cover about 19 acres, including nearly 1,400 feet of waterfront on the Detroit River, immediately opposite the City of Detroit. Buildings have been kept up in the highest state of repair, and are impressive in character and extent.

SECURITY—The Company has only one class of Stock, namely, Common Shares without any nominal or par value. There is no bonded debt, nor are there any Preferred Shares. No Bonds or Preferred Shares can be issued unless sanctioned by at least two-thirds of the votes cast at a Special General Meeting of the Shareholders called for the purpose.

ASSETS—The land, buildings, plant and equipment of Hiram Walker & Sons, Limited, have a value of approximately $4,000,000. Hiram Walker & Sons, Limited, have on hand, as shown by the books of the Department of Customs and Excise, a stock of approximately 4,000,000 gallons of whisky and spirits, which has an estimated selling value, based on conservative wholesale prices, of at least $14,000,000. This stock is insured at more than $10,000,000. Current assets of Hiram Walker & Sons, Limited (exclusive of the above-mentioned stock of whisky and spirits), are in excess of current liabilities, and the Company has no other liabilities except on Capital Stock and reserves. Nothing is carried on the books of Hiram Walker & Sons, Limited, for Good Will, although the consistent advertising of the Company's products for a great number of years, the world-wide reputation of its products, and the ownership of very valuable trade-marks and trade-names represent a real asset of very great value.

EARNINGS—The net earnings of Hiram Walker & Sons, Limited, after providing liberally for depreciation and other contingencies, but before Federal Income Taxes, during a period of seven years, from 1920 to 1926 inclusive, as certified by Edwards, Morgan & Co., Chartered Accountants, have averaged $1,524,416.82 per annum. These figures represent the result of a very conservative business policy.

MANAGEMENT—The management of this Company and of Hiram Walker & Sons, Limited, will be in the hands of Mr. H. C. Hatch, as President of both Companies, and Mr. W. J. Hume as Vice-President and General Manager of both Companies. Mr. Hatch is President of Gooderham & Worts, Limited, and Mr. Hume was until quite recently a Director and Distillery Manager of the Canadian Industrial Alcohol Company, Limited. Both Mr. Hatch and Mr. Hume have had a long and successful experience in the Distillery business, and with the business in such experienced and capable hands the most efficient and successful executive management is assured.

BALANCE SHEET OF HIRAM WALKER'S, LIMITED, as of 1st January, 1927.

ASSETS.		LIABILITIES.	
Investment in Shares of Hiram Walker & Sons, Limited	$14,000,000	Bankers' advances	$ 4,000,000
		Capital Stock, 400,000 Shares No Par Value	$10,000,000
	$14,000,000		$14,000,000

We hereby certify that in our opinion the above Balance Sheet of Hiram Walker's, Limited, as of 1st January, 1927, correctly sets forth the position of the said Company after giving effect to and upon the completion of the present financing.

(Signed) EDWARDS, MORGAN & CO.,
Chartered Accountants.

3rd January, 1927.

It is the intention of the Company to make application at an early date to list the Shares on the Unlisted Department of the Toronto Stock Exchange and on the Montreal Curb Market.

All legal matters in connection with this issue are being approved by Messrs. Long & Daly for the undersigned, and by Messrs. Blake, Lash, Anglin & Cassels for the Company.

We offer the above Shares if, as and when issued and accepted by us, and subject to the approval of our Counsel.

PRICE: $25 per Share

Osler & Hammond
21 Jordan Street, Toronto
Members Toronto Stock Exchange,
Members Montreal Stock Exchange.

Mara & McCarthy
297 Bay Street, Toronto
Members Toronto Stock Exchange,
Members Montreal Curb.

The information, statements and figures contained in this circular are based upon information which we believe to be reliable, although we do not guarantee their accuracy.

January 5th, 1927.

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Supplementing the foregoing—showing the sources and distribution of revenue from agriculture and farm wealth.

CHAPTER III
Investors, manufacturers and others interested in the industrial progress of the Dominion, will find here an analysis of all the leading industries.

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Manufacturers seeking markets—students of economics—bankers—have here the details of exports and imports and trade by countries.

CHAPTER V
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A comprehensive survey of business, finance and industry in Newfoundland — our nearest British neighbor and one of our best markets.

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Information for the shipper, the traveler, the student of changing tendencies in transportation.

CHAPTER XI
The latest information on population, showing recent official census figures of the Western provinces.

CHAPTER XII
Investors, here is much information which will answer the important questions arising during the year.

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